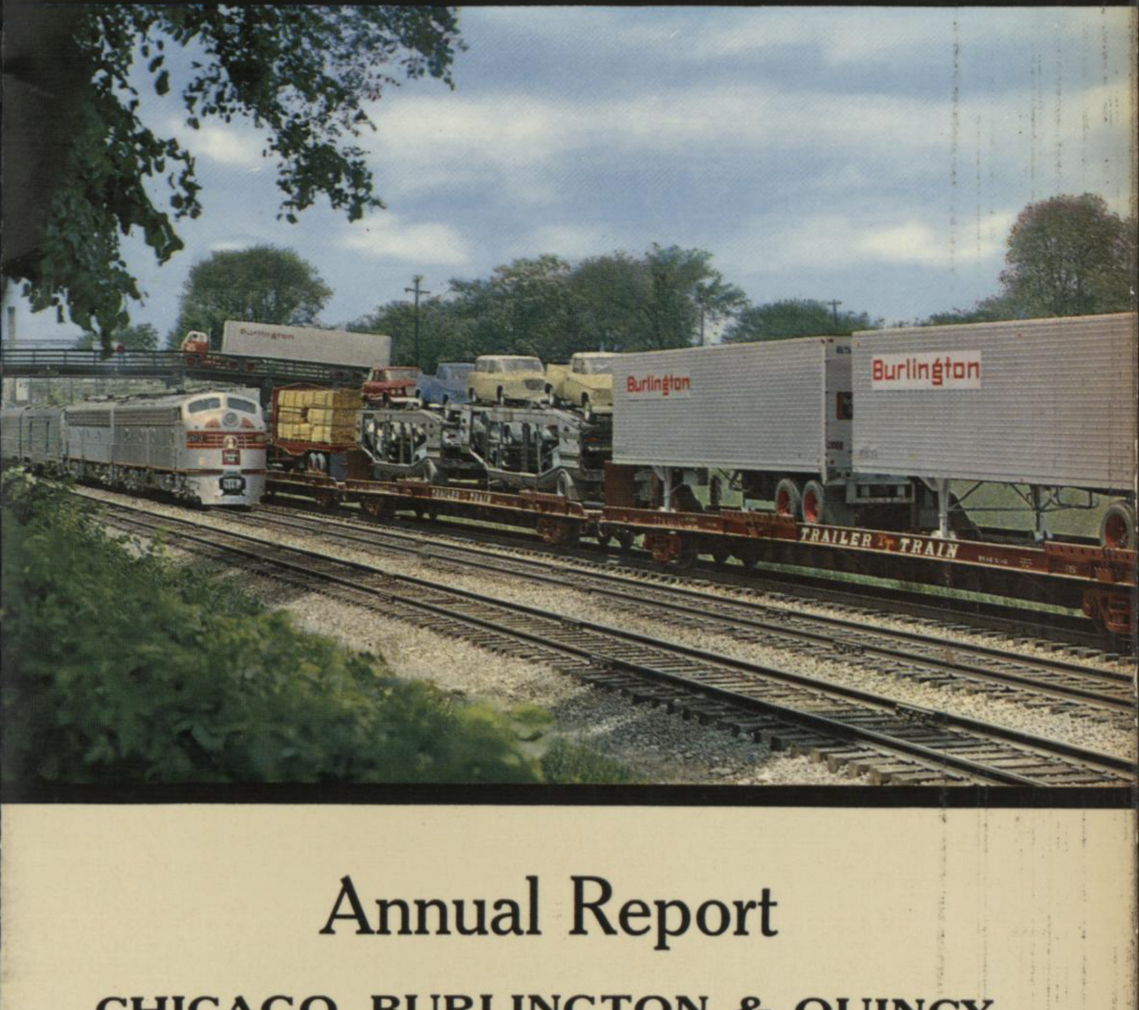
1960


Burlington
Burlington
Burlington
TRAILER TRAIN

Annual Report

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

Burlington Route

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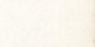
FOREWORD

TO OUR PATRONS—

The shippers and travelers who favored the Burlington with their patronage during 1960 provided the men and women of this great transportation system added incentive to continue rendering ever improving service to the public. This will be our goal in 1961 and the years ahead.

H. C. MURPHY,
President



Cover Picture—

The cover picture depicts three modern transportation services offered by the Burlington Lines: Vista-Dome passenger trains, piggyback-carrying freight trains, and co-ordinated trucking.

One Hundred and Seventh

ANNUAL REPORT

of the

BOARD OF DIRECTORS

of the

CHICAGO, BURLINGTON & QUINCY
RAILROAD COMPANY

For the Year Ended
December 31, 1960

Burlington
Route

Chicago, Burlington & Quincy Railroad Company

DIRECTORS

JOHN M. BUDD . . . . St. Paul, Minn.
President, Great Northern Railway Company

KENNETH F. BURGESS . . . . Chicago, Ill.
Partner, Sidley, Austin, Burgess & Smith

GEORGE M. FOSTER . . . . Ottumwa, Ia.
Chairman of the Board, John Morrell & Company

J. C. JAMES . . . . Chicago, Ill.
Retired Executive Vice President and General Counsel,
Chicago, Burlington & Quincy Railroad Company

ROBERT S. MACFARLANE . . . . St. Paul, Minn.
President, Northern Pacific Railway Company

ELLSWORTH MOSER . . . . Omaha, Nebr.
Retired Chairman of the Board, United States National Bank of Omaha

H. C. MURPHY . . . . Chicago, Ill.
President, Chicago, Burlington & Quincy Railroad Company

CLARENCE B. RANDALL . . . . Chicago, Ill.
Director, Inland Steel Company

R. DOUGLAS STUART . . . . Chicago, Ill.
Chairman of the Board, The Quaker Oats Company

EXECUTIVE COMMITTEE

H. C. MURPHY . . . *Chairman*

JOHN M. BUDD
KENNETH F. BURGESS
GEORGE M. FOSTER
J. C. JAMES
ROBERT S. MACFARLANE
R. DOUGLAS STUART

OFFICERS

H. C. MURPHY, *President* . . . . Chicago
F. L. KARTHEISER, *Vice President-Executive Department* . . . . Chicago
ELDON MARTIN, *Vice President and General Counsel* . . . . Chicago
GUY R. GLOVER, *Vice President-Traffic Department* . . . . Chicago
E. L. POTARF, *Vice President-Operating Department* . . . . Chicago
J E. WOLFE, *Vice President-Personnel* . . . . Chicago
RALPH C. SMITH, *Comptroller* . . . . Chicago
J. J. ALMS, *Executive Assistant to the President* . . . . Chicago
HOLLY STOVER, *Executive Assistant to the President* . . . . Chicago
F. E. SPERRY, *Assistant Vice President-Operating Department* . . . . Chicago
R. W. COGLAN, *Treasurer and Assistant Secretary* . . . . Chicago
A. D. McLANE, *Secretary, Assistant Treasurer and Transfer Agent* . . . . Chicago
E. J. BROWN, *Chief Engineer* . . . . Chicago
J. F. McALPINE, *Director of Purchases and Stores* . . . . Chicago
JOHN E. ADAMS, E. V. FINK } *Fiscal Agents* . . . . 39 Broadway, New York
GERARD MONTGOMERY, CLARA M. BYRNES } *Transfer Agents* . . . . 39 Broadway, New York

The above were Directors and Officers as of December 31, 1960.

PRINCIPAL OFFICE OF THE COMPANY

BURLINGTON BUILDING . . . . 547 W. Jackson Blvd., Chicago 6, Ill.

HIGHLIGHTS OF OPERATIONS

	1960	1959	Increase or Decrease	(I) (D)
Operating Revenues (Page 36)	$251,135,890	$263,072,883	$11,936,993	(D)
Operating Expenses (Page 36)	$203,951,532	$209,875,069	$ 5,923,537	(D)
Operating Ratio (Page 36)	81.21	79.78	1.43	(I)
Available for Fixed Charges	$ 20,105,513	$ 25,045,000	$ 4,939,487	(D)
Fixed Charges (Page 36)	$ 7,612,375	$ 7,348,857	$ 263,518	(I)
Times Fixed Charges Earned	2.64	3.41	.77	(D)
Total Taxes (Page 27)	$ 24,410,941	$ 26,384,813	$ 1,973,872	(D)
Net Income	$ 12,493,138	$ 17,696,143	$ 5,203,005	(D)
Dividends Paid	$ 12,812,902	$ 12,812,902		
Averages per Share of Stock:				
Taxes	$ 14.29	$ 15.44	$ 1.15	(D)
Net Income	$ 7.31	$ 10.36	$ 3.05	(D)
Dividends Paid	$ 7.50	$ 7.50		
Net Investment	$757,114,147	$752,089,200	$ 5,024,947	(I)
Rate of Return on Net Investment	2.20%	2.59%	.39%	(D)
Average Number of Employes	22,793	24,025	1,232	(D)
Total Wages	$134,222,007	$137,491,451	$ 3,269,444	(D)
Revenue Ton Miles	15,256,220,477	15,693,022,126	436,801,649	(D)
Revenue Passenger Miles	874,278,825	872,350,797	1,928,028	(I)
Miles of Road Operated—end of year	8,648.31	8,670.37	22.06	(D)
Total Outstanding Funded Debt including Equipment Obligations (Page 41)	$220,705,467	$226,682,516	$ 5,977,049	(D)

MAY 10 1961 A

REPORT

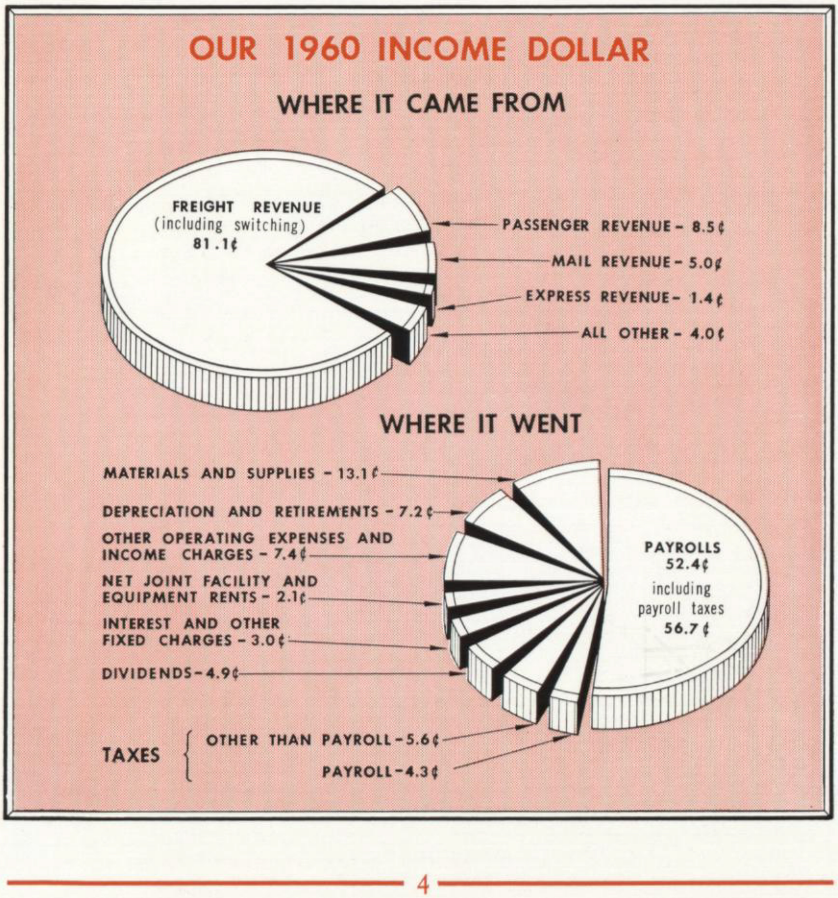
for the Year Ended December 31, 1960

As the year 1960 progressed, the general feeling of economic optimism prevalent at the beginning of the year was replaced with many uncertainties. A downward trend, instead of the expected improvement in the national economy, continued throughout the year. Reflecting this trend, the total operating revenues decreased $11,936,993 or 4.53 per cent as compared with 1959.

Total operating expenses were $203,951,532, a decrease of $5,923,537 or 2.82 per cent as compared with 1959.

Railway taxes charged in the income account totaled $25,178,072, a decrease of $2,161,366 or 7.91 per cent under 1959.

Net income for the year was $12,493,138 as compared with $17,696,143 in 1959, a decrease of $5,203,005 or 29.40 per cent.

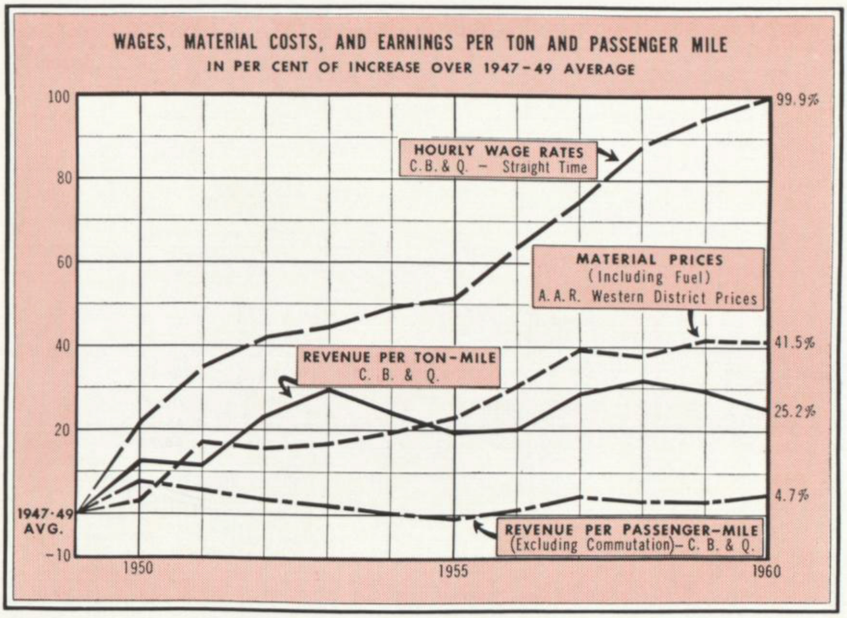

OUR 1960 INCOME DOLLAR

During 1960 the Company continued its program of improving the property, expending $26,967,661 chargeable to capital accounts. During the past ten years, gross capital expenditures for improvements have amounted to $328,970,408, an average of $32,897,041 per year.

Capital Expenditures by years 1951-1960, inclusive

	Gross		Retirements		Net	
	Road and General	Equipment	Road and General	Equipment	Road and General	Equipment
1951	$ 8,647,919	$ 21,080,167	$ 2,701,451	$ 7,575,134	$ 5,946,468	$ 13,505,033
1952	18,567,860	21,193,836	3,933,614	7,049,231	14,634,246	14,144,605
1953	11,720,397	33,730,890	4,472,896	9,387,049	7,247,501	24,343,841
1954	10,789,572	16,513,268	4,468,187	10,119,340	6,321,385	6,393,928
1955	5,390,690	19,825,370	6,466,453	6,502,707	Cr. 1,075,763	13,322,663
1956	16,466,228	14,871,156	7,077,988	3,469,423	9,388,240	11,401,733
1957	23,942,890	22,474,055	5,456,775	6,680,908	18,486,115	15,793,147
1958	8,232,334	21,196,344	6,165,355	3,078,413	2,066,979	18,117,931
1959	9,078,179	18,281,592	5,517,683	3,293,847	3,560,496	14,987,745
1960	13,610,304	13,357,357	5,304,613	10,696,104	8,305,691	2,661,253
Total	$126,446,373	$202,524,035	$51,565,015	$ 67,852,156	$ 74,881,358	$134,671,879

These capital expenditures provided new and better equipment and facilities, enabling the Company to furnish improved freight and passenger service with greater efficiency. However, as shown in the following chart, wage and material costs have increased substantially faster than revenues per ton and passenger mile.



WAGES, MATERIAL COSTS, AND EARNINGS PER TON AND PASSENGER MILE

IN PER CENT OF INCREASE OVER 1947-49 AVERAGE

FREIGHT TRAFFIC

The volume of freight traffic serves as a rather reliable barometer of the nation's economic activity. The disrupting effects of the steel industry strike in 1959 along with the general depressed business conditions existing in 1960 were major factors in the overall decline of freight volume, which affected virtually each category of traffic. Adjusted freight revenue for 1960 was $202,493,479, compared with $215,330,208 in 1959, a decrease of 5.96 per cent.

Carloads of revenue freight handled in 1960 totaled 1,313,383, a decrease of 50,180 or 3.68 per cent under 1959.

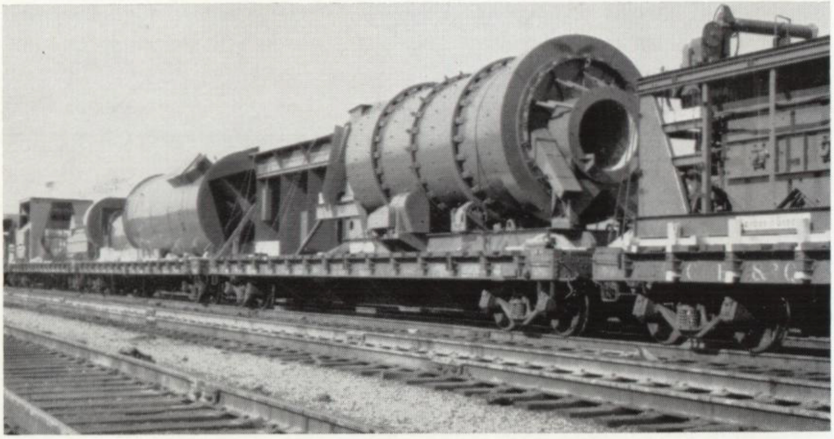
Revenue tons carried in 1960 were 47,272,863, a decrease of 1,544,852 or 3.16 per cent. Freight train miles decreased 4.40 per cent.

The average revenue per ton mile decreased from 1.372 cents in 1959 to 1.327 cents in 1960, or 3.28 per cent.

The average load per car was 36 tons, the same as in 1958 and 1959. The average load in 1940 was 31 tons.

Products of Agriculture decreased 10.5 per cent in revenue and 5.6 per cent in tonnage during 1960, the principal decrease being in Corn, which declined 39.1 per cent in revenue and 31.1 per cent in tonnage.

Products of Mines registered decreases of 6.1 per cent in revenue and 2.1 per cent in tonnage, the principal factor being Bitimunous Coal, which dropped 11.9 per cent in revenue and 7.5 per cent in tonnage.



Diversity of Burlington freight shipments is illustrated by this bituminous mixing plant, manufactured at Aurora, Illinois, and shipped aboard six flat cars.

Despite rather sharp decreases in Agricultural Implements, Cement, Gasoline, Fuel and Road Oil, the showing in the Manufactures and Miscellaneous commodities group was down only 2.6 per cent in revenue and .76 per cent in tonnage.

Forwarder Traffic decreased 9.8 per cent in revenue and 6.9 per cent in tonnage in 1960. TOFC traffic continues to show substantial growth with 56,228 trailers handled in 1960 as compared with 47,294 in 1959, an increase of 18.9 per cent.

Source of Freight Revenue

	1960 Revenue*	Per Cent of Total	Per Cent Decrease from 1959
Products of Agriculture	$ 47,989,589	22.10	10.54
Animals and Products	17,149,764	7.90	3.43
Products of Mines	32,668,625	15.04	6.10
Products of Forests	14,409,752	6.64	7.93
Manufactures and Miscellaneous	89,448,715	41.19	2.60
Forwarder Traffic	9,838,158	4.53	9.84
Less Carload Freight	5,651,568	2.60	13.35
Total	$217,156,171	100.00	6.04

*Gross Freight Revenue, stated without adjustments for absorptions or corrections which reduced total freight revenue to $202,493,479.

FREIGHT RATES

In an effort to partially offset wage increases and other increased expenses, the railroads filed tariff schedules imposing nominal increases in freight rates and charges effective October 24, 1960. An increase of one half cent was imposed on line haul rates 65 cents and under and one cent on rates over 65 cents per hundred-weight, with corresponding increases where rates are stated in cents per ton or other unit. There were some exceptions with respect to certain commodities, such as coal, coke and iron ore. Various increases were also provided on accessorial charges. The Interstate Commerce Commission assigned Ex Parte No. 223 to the proceeding and allowed the increases to become effective, with some exceptions which are still under investigation. It is estimated that the increases which have been permitted will, if applied uniformly on both interstate and intrastate traffic, yield Burlington about $2,400,000 a year in increased revenue.

The Saint Lawrence Seaway situation is much the same as reported last year. The carriers continue to be pressed for reduced export and import rates to and from the Lake ports, but no adjustments of major proportions have been made with the exception of export rates on whole grains designed to combat trucking.

FREIGHT RATES (continued)

Efforts continue to meet highway competition and increase traffic by rate adjustments. Lower rates with higher minimum weights were provided by the Burlington on livestock. Reduced rates were also provided on such commodities as iron and steel articles, brick and related articles, agricultural implements, meats and packinghouse products and feeding grains. The Interstate Commerce Commission in 1960 vacated its relationship order in the vegetable oil cases, which places the rail lines in better position to meet truck competition on these commodities.

The rate departments of the Burlington and the other railroads continue to study truck and water competition on many commodities with the view to making rate adjustments where such action promises to result in greater revenues. Of particular importance is the matter of grain rates, since grain is an extremely important commodity to Burlington and we are severely plagued by both truck and water competition. It is quite likely that the year 1961 will see further rate adjustments on grain and its products, particularly export movement.

Recently in ICC Docket 31503 and related cases (the so-called Trans-Continental Divisions Case) the examiner issued a report recommending a revision of divisions on traffic between Mountain Pacific Territory, on the one hand, and Western Trunk Line and Official Territories, on the other. The recommendations, if adopted, on the whole would benefit Burlington revenues materially even though our division would be decreased in some cases. It is expected that the examiner's recommendations will be vigorously contested by the Trans-Continental Lines, and it is unlikely that there will be an early and final decision in these cases.

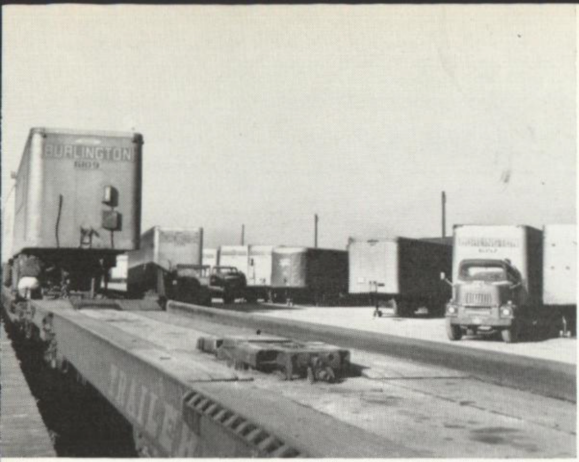
TRAILER-ON-FLAT-CAR SERVICE (see opposite page)

Burlington trailer-on-flat-car service, more familiarly known as "piggyback," continued a steady, healthy growth in 1960 with 56,228 loaded trailers handled during the year compared with 47,294 in 1959, 27,749 in 1958, and 15,700 in 1957.

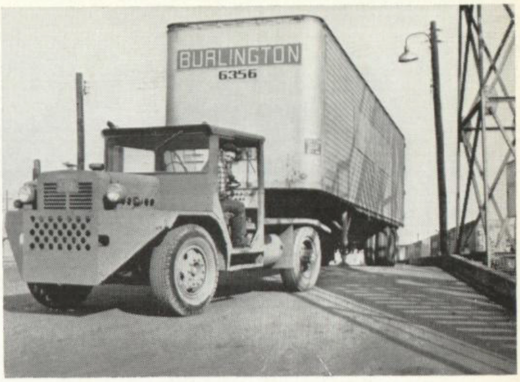
Expeditious service, truck-competitive rates, and pickup and delivery of shipments are the principal reasons why piggyback service continues to find favor with shippers.

TOFC service is available over the railroad's entire system, with loading ramps located at 40 key locations. Substituted highway service is provided to other points by Burlington Truck Lines, Inc., and

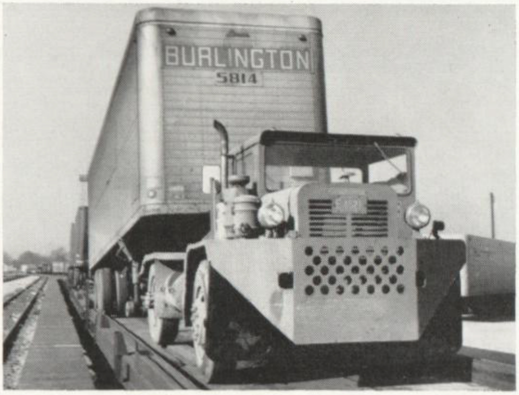
"PIGGYBACK" PROGRESS


BURLINGTON
6109

Loaded trailers, lined up ready for end-loading on Trailer Train flatcars.


BURLINGTON
6356

The "Beast", a specially-designed tractor, moves a trailer up the ramp.


BURLINGTON
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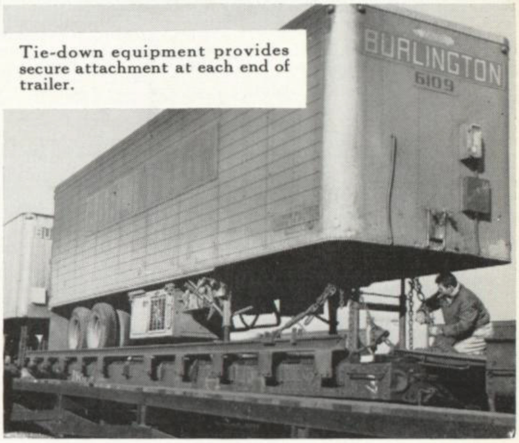
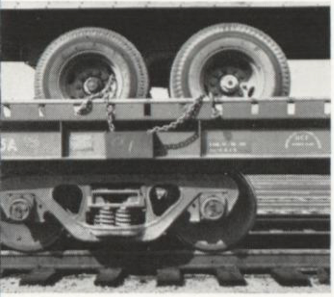
Car-to-car bridges provide for continuous loading of trailers on flat-cars.


BURLINGTON
6109

Tie-down equipment provides secure attachment at each end of trailer.



Trailer rides on own wheels, chained for extra protection.

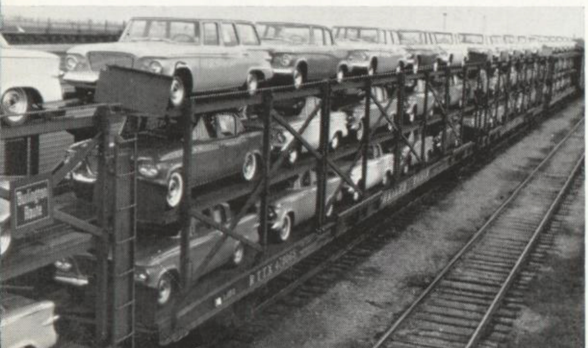
BURLINGTON

Piggyback train is made up at loading ramp, and then . . .

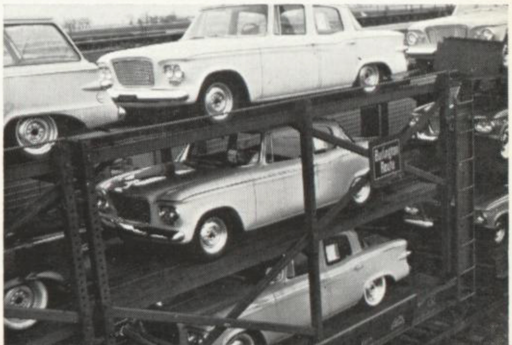
Burlington

. . . switched into main-line train for high-speed rail movement.

A specialized application of railroad transportation is this tri-level load . . .



. . . fifteen compact automobiles, or twelve standard automobiles on one car.



TRAILER-ON-FLAT-CAR SERVICE (continued) —

interchange agreements with other railroads enable Burlington to extend piggyback service throughout the nation and to participate as an intermediate carrier on coast-to-coast traffic.

The largest movement of TOFC traffic is on Plan II rates, under which the railroad furnishes trailer, flat car, and complete door-to-door service. Plan II also registered the largest growth during the year. Plan III, in which the shipper furnishes the trailer, has potential application for shippers with a balanced traffic movement in both directions. Plan IV, under which the shipper furnishes trailer, flat car, and pickup and delivery service, contributes an important part of our TOFC traffic.

In addition to its own specially equipped flat cars and varied trailer units, the Burlington is a part owner of Trailer Train Company, which maintains a large pool of piggyback flat cars for use by Burlington and other railroads. The Burlington believes that the many advantages of trailer-on-flat-car service insure its continued future growth.

The latest technological advance in rail transportation placed in service by the Burlington is a variation of piggyback: the multi-level carriage of automobiles. Twelve standard size, or fifteen compact size, automobiles can be carried on a three-level superstructure mounted on an 85-foot piggyback flat car. The economies made possible by this more efficient mass movement of automobiles have regained for the railroad some of the auto traffic previously handled by other modes of transportation.

AGRICULTURE AND LIVESTOCK

The year 1960 was outstanding for crop production in Burlington territory with all major crops exceeding the generally excellent crop produced in 1959. Wheat was of good quality and production 28 per cent over last year, 37 per cent above the 1950-1959 ten-year average. Corn produced 1 per cent more than in 1959 and 37 per cent over the average. Soybean production was 4 per cent above the previous year and 36 per cent over the ten-year average; sorghum grain 20 per cent over 1959 and 215 per cent over the average. Sugar beet production surpassed 1959 by 9 per cent and the average by 39 per cent. The oat crop was 9 per cent over the previous year, but 15 per cent below average. Barley produced was 3 per cent under 1959, but above the average by 28 per cent. Potatoes were 1 per cent over last year and 2 per cent above the average. Hay production increased 9 per cent over last year,

Storage space for 20,000,000 bushels of grain provided by this recently expanded Morrison-Quirk Grain Co. facility at Hastings, Neb.

Feeder lambs on the hoof loaded aboard a Burlington stock special.

14 per cent over the ten-year average. Prices received by farmers averaged about 2 per cent lower than in 1959.

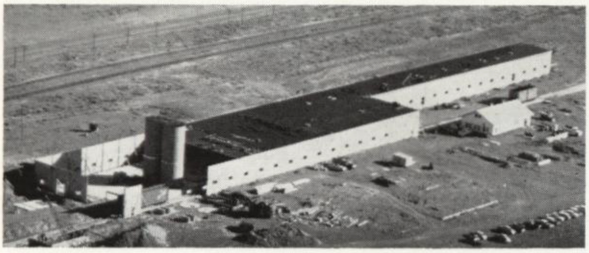
Outlook for the 1961 wheat crop is promising. Acreage seeded last fall for harvest this year is 2 per cent greater than last year, but 8 per cent below the 1950-1959 average. The eastern Colorado-Nebraska crop is in good condition although more moisture and a protective cover of snow would be helpful. Wheat in storage in all positions in Burlington states increased 13 per cent over January 1, 1960. Corn storage is up 8 per cent, oats 10 per cent, barley down 6 per cent. Reservoir storage of irrigation water on February 1, is below normal in most of Wyoming and western Nebraska; however, more than one half of the snowfall season remains for collecting and storing precipitation.

Livestock in Burlington territory is generally in good condition except for the dry areas of Wyoming where heavier than normal supplemental feeding of breeding herds has been necessary. Five per cent more cattle and calves are on feed than last year, 22 per cent more than the ten-year average. There are 2.8 million head of sheep and lambs on feed in Burlington states, which is about average. Reports indicate a 7 per cent increase in the 1961 pig crop.

INDUSTRIAL DEVELOPMENT

Despite the slow-down in general business, 1960 was a good year for industrial development in Burlington territory. Six hundred forty-four new industrial leases were issued on land owned by the Burlington. Twelve industries purchased CB&Q-owned land on which to erect new plants and twenty-five new industries located on other lands available to our service. Twelve industries served by the Burlington expanded their plants during the year. Forty-eight new industrial tracks or track extensions were built and eight temporary contractors' tracks were installed.

Arrangements were completed to acquire 147 acres at Galesburg and 48 acres at Moline, Illinois, for industrial development. Chambers of Commerce and other civic groups in cities served by the Burlington have been active in locating industries on privately-owned sites and our Industrial Department has continued to co-operate with those groups. The Department also has been working with counties in our territory to insure that land suitable for industrial use is so designated in new zoning ordinances being adopted by those counties.



Recently completed $3 million wallboard plant of Big Horn Gypsum Company, at Cody, Wyoming.

New Fairfield, Iowa plant of Universal Joint Division of Rockwell Standard Corp.

General Mills new West Chicago, Illinois plant producing food mixes.

PASSENGER TRAFFIC

Burlington's passenger revenues for 1960 were the highest since 1946 despite general economic adversity and a substantial reduction in passenger train miles. This favorable showing was the result of a basic philosophy of passenger sales that:

1—High-quality passenger service between major population centers develops and maintains a high level of public acceptance.

2—Careful analysis of markets reveals increased opportunities for further sales efforts.

3—Aggressive sales and promotion activities translate acceptance and opportunities into actual revenue dollars.

For the eighth consecutive year, Burlington increased its share of the western railroads' passenger traffic.

Total passenger revenue in 1960 was $21,430,686, an increase of $684,132 or 3.30 per cent over 1959. Eliminating suburban revenue (multiple-ride tickets, one-way and round-trip tickets, and cash fares), the increase was $509,591 or 3.06 per cent. Revenue from all suburban fares for 1960 was $4,279,385, an increase of $174,541 or 4.25 per cent.

Passenger traffic in 1960 was handled with a decrease of 834,223 passenger train miles or 8.21 per cent, compared with 1959. Total passenger car miles decreased 2.51 per cent.

Revenue passengers carried in 1960 decreased 6.51 per cent under 1959; corresponding passenger miles increased 0.22 per cent. Excluding all suburban traffic, the number of revenue passengers carried in 1960 decreased 4.07 per cent under 1959; corresponding passenger miles increased 1.69 per cent.

Average revenue per passenger mile was 2.451 cents in 1960 compared with 2.378 cents in 1959.

Vista-Dome observation lounge car on the California Zephyr.

Beautiful decor of the mid-train buffet lounge on the California Zephyr.

PASSENGER FARES

Effective January 1, 1960, Chicago-Aurora suburban one-way, round-trip, 10-ride and 25-ride ticket fares were increased by 10 per cent and the 46 and 54-ride monthly ticket fares, as well as the 12-ride Chicago-Aurora weekly ticket fares, were increased by 15 per cent.

Effective October 1, 1960, one-way and round-trip station-to-station coach fares were increased by 5 per cent for both interstate and intrastate traffic, except intrastate in Illinois where the Illinois Commerce Commission suspended the increase, but after a hearing permitted it to become effective January 29, 1961.

Effective November 1, 1960, the round-trip coach fares to California destinations were also increased 5 per cent.

Effective November 6, 1960, the Pullman Company increased rates by $1.00 for the single occupancy of duplex single rooms, bedrooms, compartments and drawing rooms, and $2.00 for the multiple occupancy of the same accommodations for overnight trips.

CREATIVE TRAFFIC (see opposite page)

Burlington's continuing program to generate additional passenger business by means of special excursions at incentive fares helped produce the highest passenger revenues in 1960 since the end of World War II. The Company's passenger sales creative program alone was responsible for about $1,400,000 of the total passenger revenue. Outstanding revenue producers were the movement of Boy Scouts to and from Colorado Springs, a dozen special trains powered by steam locomotives for 6,000 rail fans, Mississippi River excursion jaunts for 4,500, Football specials that accommodated about 7,500 sports fans, Educational Tours for more than 57,000 school children, and week-end Colorado excursions during the off-season months attracted about 2,500 passengers. Ice Show Tours, Special Spring Tonic, Fall Indian Summer and Baseball trips were among the many other types of excursions offered. The continuing success of this program is evident by the fact that these tours carry a large number of repeat passengers. Much of this traffic is handled in extra cars on regular trains.

Boy Scouts of America 5th National Jamboree, Colorado Springs, Colorado, July 22-28, 1960

The Burlington carried the largest share of Scouts to and from the 1960 Boy Scout Jamboree. Attendance totaled 56,078 Boy Scouts and leaders, with 30,397 traveling by rail. The Burlington carried 14,779 persons in 29 special trains to the Jamboree and 12,779 in 27 special trains returning, with Burlington passenger revenue approximating $500,000.

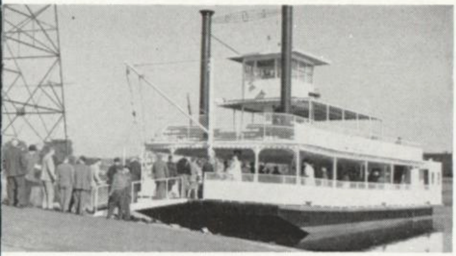
BURLINGTON
59

Burlington carried over 27,500 Boy Scouts to or from their National Jamboree in Colorado Springs last summer.

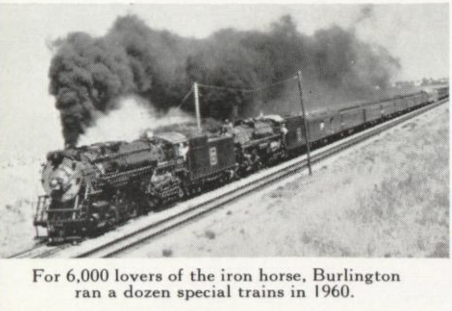
Special educational tours for students have grown from 2,500 in 1952 to 57,000 in 1960.

SITZMARK
Zephyr

Sitzmark Zephyr is dedicated to the increasing number of ski enthusiasts who take the Zephyrs.

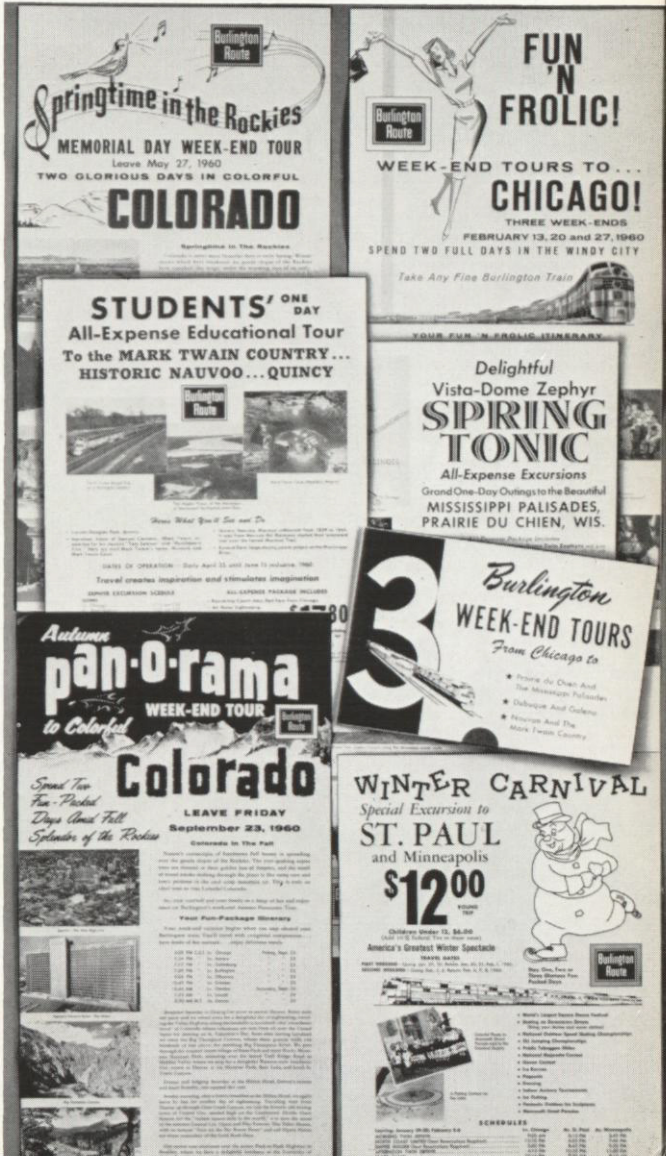


This new steamboat takes Burlington American Historic tour passengers on a scenic trip on the Mississippi.



For 6,000 lovers of the iron horse, Burlington ran a dozen special trains in 1960.

CREATED PASSENGER TRAFFIC


Burlington Route
Springtime in the Rockies
MEMORIAL DAY WEEK-END TOUR
Leave May 27, 1960
TWO GLORIOUS DAYS IN COLORFUL
COLORADO
Springtime in The Rockies
FUN 'N FROLIC!
Burlington Route
WEEK-END TOURS TO...
CHICAGO!
THREE WEEK-ENDS
FEBRUARY 13, 20 and 27, 1960
SPEND TWO FULL DAYS IN THE WINDY CITY
Take Any Fine Burlington Train
YOUR FUN 'N FROLIC ITINERARY
STUDENTS' ONE DAY
All-Expense Educational Tour
To the MARK TWAIN COUNTRY...
HISTORIC NAUVOO...QUINCY
Burlington Route
Here's What You'll See and Do
Travel creates inspiration and stimulates imagination
Delightful
Vista-Dome Zephyr
SPRING TONIC
All-Expense Excursions
Grand One-Day Outings to the Beautiful
MISSISSIPPI PALISADES,
PRAIRIE DU CHIEN, WIS.
Autumn
pan-o-rama
WEEK-END TOUR
Burlington Route
to Colorful
Colorado
Spend Two Fun-Packed Days Amid Fall Splendor of the Rockies
LEAVE FRIDAY
September 23, 1960
Colorado in The Fall
Your Fun-Package Itinerary
3
Burlington
WEEK-END TOURS
From Chicago to
★ Prairie du Chien And The Mississippi Palisades
★ Dubuque And Galena
★ Nauvoo And The Mark Twain Country
WINTER CARNIVAL
Special Excursion to
ST. PAUL
and Minneapolis
$12.00
ROUND TRIP
America's Greatest Winter Spectacle
TRAVEL DATES
Burlington Route
SCHEDULES

PIONEER ZEPHYR PLACED IN MUSEUM (see opposite page)

The famous Pioneer Zephyr, a three-car articulated train and America's first diesel-powered streamliner, was placed on permanent exhibition in Chicago's Museum of Science and Industry on May 26, 1960. President Murphy presented the throttle of the historic Zephyr to Museum President Lenox R. Lohr at special ceremonies on that day.

Visitors can walk through the full length of the train, and into the 600-horsepower diesel locomotive unit. The Pioneer Zephyr revolutionized transportation by launching the era of diesel power and lightweight streamlined passenger equipment. From the time of its first run on November 11, 1934, until it was removed from regular service February 20, 1960, the train carried more than 1,000,000 passengers and traveled approximately 3,200,000 miles.

VISTA-DOME DENVER ZEPHYR AND SLUMBERCOACH

The total number of through passengers carried between Chicago and Denver on the Vista-Dome Denver Zephyrs during 1960 was 104,500, an increase of 4,890 over 1959 or 4.91 per cent. The total number of revenue passengers carried on the Vista-Dome Denver Zephyrs between all points Chicago-Denver was 239,237, an increase of 13,675 or 6.06 per cent. Slumbercoach passengers carried on the Vista-Dome Denver Zephyrs during 1960 averaged 34.0 passengers per car trip compared with 33.7 in 1959.

MAIL

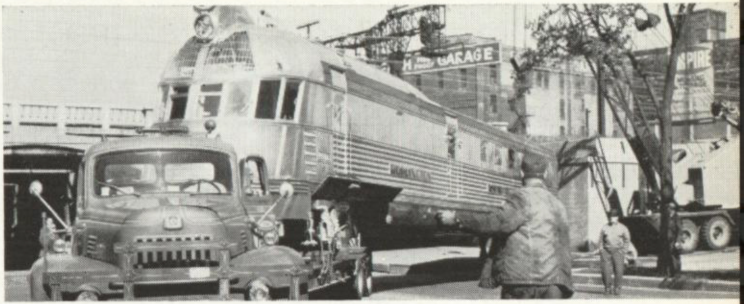
Our 1960 revenue for transporting mail for the Post Office Department was $12,814,419 compared with $12,219,961 for 1959, an increase of $594,458 or 4.86 per cent. This additional revenue was due primarily to a 13 per cent general increase in mail pay rates effective September 1, 1960.

EXPRESS

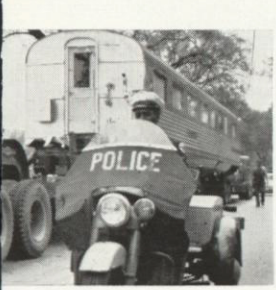
Express income for 1960 was $3,550,124 compared with $3,632,479 for 1959, a decrease of $82,355 or 2.27 per cent. This loss in revenue was due largely to the decrease in express volume handled in 1960. While there were no general increases in express rates during the year, tariffs filed on November 21, 1960, to become effective January 5, 1961, provide for an additional charge of 20 cents per less-carload express shipment, with some exceptions, regardless of weight.

PRESENTATION OF THE PIONEER ZEPHYR
to the Museum of Science and Industry—May 26, 1960

The Pioneer Zephyr was refurbished at the Aurora Shops . . .



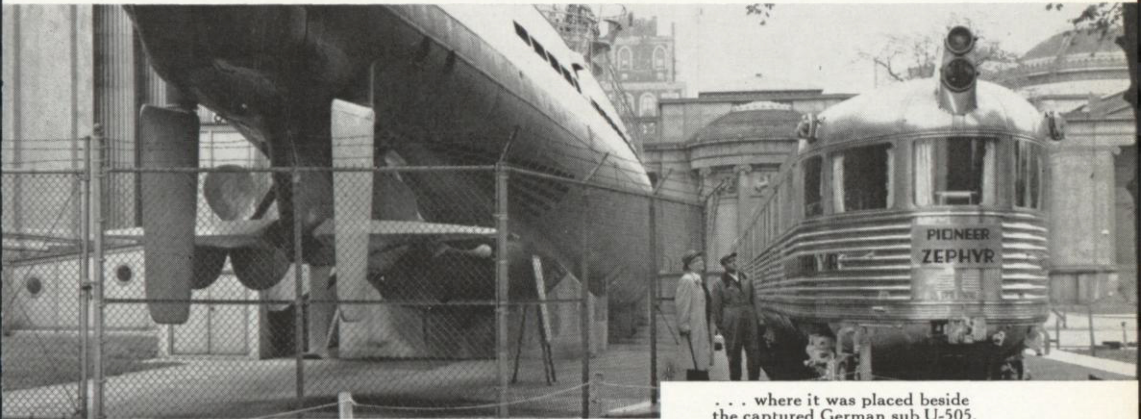
. . . Then trucked from the IC tracks at 55th Street . . .



. . . with the aid of a police escort . . .

. . . down the boulevards . . .

. . . to the Museum of Science and Industry . . .


PIONEER
ZEPHYR

. . . where it was placed beside the captured German sub U-505,

Presentation ceremonies on May 26, 1960, on the 26th anniversary of the Pioneer Zephyr's famous dawn to dusk run from Denver to Chicago.

Burlington
Route
Burlington
Route

Major Lenox R. Lohr, president of the Museum of Science and Industry accepts throttle of the Pioneer Zephyr from Burlington's President, Harry C. Murphy.

UNPROFITABLE PASSENGER TRAIN SERVICE

The process of effecting economies by discontinuing unprofitable trains is a vital part of the program of maintaining a healthy passenger service. Because certain trains have been abandoned by public use, the various public authorities have approved removal of such trains in order to protect other services which represent a higher level of public service and which produce correspondingly greater revenue.

The following trains were discontinued or merged during the year 1960, effecting an estimated annual saving of 1,077,241 train miles:

Trains 3 and 4—Brookfield-St. Joseph—Daily trains 3 and 4 between Brookfield and St. Joseph were discontinued January 1, 1960, with annual train miles saving of	74,460
Trains 3-55 and 56-30—Chicago-Galesburg—Daily trains 3-55 and 56-30 were merged on a daily basis (previously merged only one day per week) between Chicago and Galesburg commencing January 23, 1960, with estimated annual train miles saving of	101,412
Trains 41 and 44—Lincoln-Alliance—Daily except Sunday trains 41 and 44 between Lincoln and Alliance were discontinued March 5, 1960, with annual train miles saving of	228,070
Trains 17-19 and 18-6—Lincoln-Denver—Daily trains 17-19 and 18-6 were merged between Lincoln and Denver commencing April 3, 1960, for approximately eight months of the year, with estimated annual train miles saving of	231,840
Trains 15 and 2—Galesburg-Burlington—Daily trains 15 and 2 between Galesburg and Burlington were discontinued April 24, 1960, with annual train miles saving of	31,390
Trains 43 and 44—St. Joseph-Lincoln—Daily trains 43 and 44 between St. Joseph and Lincoln were discontinued May 31, 1960, with annual train miles saving of	105,850
Trains 1 and 56—Galesburg-Peoria—Six-day per week motor trains 1 and 56 between Galesburg and Peoria were discontinued July 1, 1960, with annual train miles saving of	32,552
Trains 23-31 and 26-32—Chicago-St. Paul—Daily trains 23-31 and 26-32 were merged between Chicago and St. Paul commencing September 30, 1960, for approximately eight months of the year, with estimated annual train miles saving of	204,960
Suburban trains—Chicago-Aurora—One pair of Saturday, Sunday and holiday suburban trains were discontinued between Chicago and Aurora October 30, 1960, with annual train miles saving of	8,307
Trains 1 and 44—Burlington-West Quincy—Daily trains 1 and 44 between Burlington and West Quincy were discontinued October 30, 1960, with annual train miles saving of	58,400
Total	1,077,241

Following hearings in 1960, the Illinois Commerce Commission has since rendered favorable decision permitting the removal, effective January 14, 1961, of trains 47-48 operating between St. Louis, Missouri, and Rock Island, Illinois, with savings of 189,070 train miles per year. Other lightly patronized trains are under active study for possible removal in 1961.

OPERATIONS

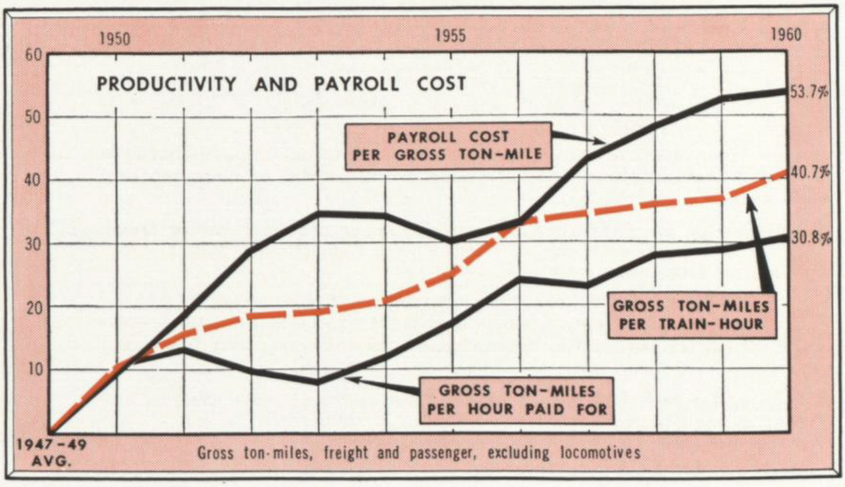
While some economies were effective throughout the year, due to reduced traffic and nation-wide general economic conditions, the property was maintained to meet Burlington high standards.

Total operating expenses decreased $5,923,537 or 2.82 per cent under the year 1959, in spite of wage increases amounting to $2,835,900.

Maintenance of Way and Structures expenses, excluding depreciation and retirements, decreased $2,335,006 or 7.46 per cent. Some of the important maintenance work performed during the year was:

196,957 new creosoted cross ties placed in track.
442,703 cubic yards of ballast applied.
28.18 miles of track relaid with new 129-pound T.R. rail.
45.51 miles of track relaid with secondhand 131-pound, 129-pound, 112-pound, 110-pound, 100-pound, 90-pound rail.

Maintenance of Equipment expenses, excluding depreciation and retirements, decreased $2,803,558 or 7.76 per cent. Equipment was currently maintained and 1,647 freight cars were given general repairs.



Transportation expenses decreased $1,747,712 or 1.67 per cent. Freight train miles were reduced 565,827 or 4.40 per cent and passenger train miles were reduced 834,223 or 8.21 per cent.

The operating ratio—relation of total operating expenses to operating revenues—was 81.21 as compared with 79.78 in 1959. The transportation ratio was 41.08 as compared with 39.88 in 1959. Maintenance of way and structures was 13.57 as compared with 13.75, and maintenance of equipment was 18.48 as compared with 18.53.

IMPROVEMENTS

Capital Expenditures in 1960:

	Gross	Retirements	Net
Road..........	$13,610,363	$ 5,067,555	$ 8,542,808
Equipment....	13,357,357	10,696,104	2,661,253
General.......	Cr. 59	237,058	Cr. 237,117
Total.....	$26,967,661	$16,000,717	$10,966,944

Capital charges for improvement and replacement of bridges amounted to $5,419,585.

ROAD

Major Improvements Completed during the year:

Construction of new high-level bridge over the Mississippi River at Quincy, Illinois, including necessary track relocations.

Train service was inaugurated over the new bridge on October 22, 1960. New bridge will eliminate delays due to open draw span and preclude possibility of bridge being out of service on account of being struck by river craft.

Construction of new freight house at North Kansas City, Missouri.

Provides modern freight handling facilities closer to freight yard and readily accessible for highway trucking operations. Will permit earlier deliveries of inbound freight and later closing in the evening, and thus improve service and reduce switch engine hours.

Construction of addition to freight house No. 10, Chicago, Illinois.

To provide more dock space for growing T.O.F.C. operations. Universal Carloading and Distributing Company has expanded its operations as a lessee of additional space, for handling its own freight and that of the International Freight Forwarding Company.

Construction of trackage to serve new coal mines opened at Sesser and Wyoming, Illinois.

These two new mines are expected to produce more than 60,000 carloads per year. A considerable portion of this coal will move over the Burlington, producing a substantial increase in revenue.

Major Improvements under Construction:

Improving interchange connection with the Union Pacific at Grand Island, Nebraska.

To expedite interchange of freight trains complete with locomotive and waycar, fully coordinating Burlington-Union Pacific fast freight service between Chicago and the West Coast.

Relocate approximately 1.4 miles of main track and other facilities at North St. Louis at expense of City of St. Louis in connection with construction of new levee.

The Corps of Engineers-U.S. Army have constructed new Levee on river side of Burlington's main track in vicinity of Mileposts 6 to 8. This new and higher levee will afford better flood protection for Burlington as well as potential industrial property in this area.

Extensions of streets and public utilities to serve additional areas in Burlington's Paseo Industrial District at North Kansas City, Missouri, which has been steadily growing in importance and number of industries.

> Sale of additional parcels of land to traffic-producing industries for construction of industrial facilities necessitates extensions of streets and utilities. This also will require the installation of storm and sanitary sewers and run-off ditch to drain area bounded by above-mentioned street extensions.

SIGNALING

Major Items Completed during the year:

Extended centralized traffic control from Bushnell to Waterman, Illinois, eliminating one main track and three operator positions.

Installed centralized traffic control between Machens and Spanish Lake, Missouri, eliminating one main track, and moved control machine to Hannibal, eliminated four operator positions.

Extended centralized traffic control through Napier, Missouri, completing CTC operations to Kansas City, Missouri, eliminating three switch tenders.

Moved centralized traffic control machine from Galesburg, Illinois, to Hannibal, Missouri, in connection with consolidation of dispatching at Hannibal.

Replaced remote control interlocking at Wabash crossing Chillicothe, Missouri, with automatic interlocking, eliminating two operators.

Installed automatic interlocking at 5th and Howard Streets, Omaha, Nebraska, eliminating three switch tenders.

Moved control machine for Bishop, Illinois, interlocking from Wataga to Seminary Tower at Galesburg, eliminating two operator positions.

Installed new highway grade crossing protection at twenty-five crossings and modernized six existing installations, which permitted the closing of three crossings.

Major Items under Construction:

Extension of centralized traffic control from Spanish Lake to North Market Street interlocking St. Louis, eliminating one main track.

Installation of dragging equipment detectors at Riverside, Montgomery, Aurora, and Galesburg, Illinois.

Installation of broken wheel detector at the East and West Hump Yard at Galesburg, Illinois, and at Lincoln, Nebraska, Hump Yard.

Equipment Placed in Service

Built in Company Shops:

48—40′6″ 50-ton all steel roller bearing box cars, plug door 14′ opening.
100—40′6″ 50-ton all steel roller bearing "DF" box cars with cushion underframes.
500—40′8″ 70-ton all steel roller bearing open top hopper cars.
50—53′6″ 50-ton all steel roller bearing bulkhead flat cars.
30—all steel waycars.

Purchased:

50—29′6″ 70-ton roller bearing airslide covered hopper cars.
100—41′0″ 70-ton 3500 cu. ft. roller bearing covered hopper cars.
50—35′ flatbed trailers—for rail TOFC service.
100—40′ dry-van trailers—for rail TOFC service.

Equipment on Order

To be Built in Company Shops:

350—29′3″ 70-ton all steel roller bearing covered hopper cars.
50—53′6″ 50-ton all steel roller bearing bulkhead flat cars.
50—60′0″ 50-ton all steel roller bearing flat cars.
50—40′6″ 50-ton all steel roller bearing "DF" box cars with cushion underframes.
300—40′6″ 50-ton all steel roller bearing box cars, plug door 14′ opening.
250—50′6″ 70-ton all steel roller bearing "DF" type insulated box cars with cushion underframes.

To be Purchased:

36—2000 h.p. GP-20 Diesel-electric road units.
50—29′6″ 70-ton roller bearing airslide covered hopper cars.

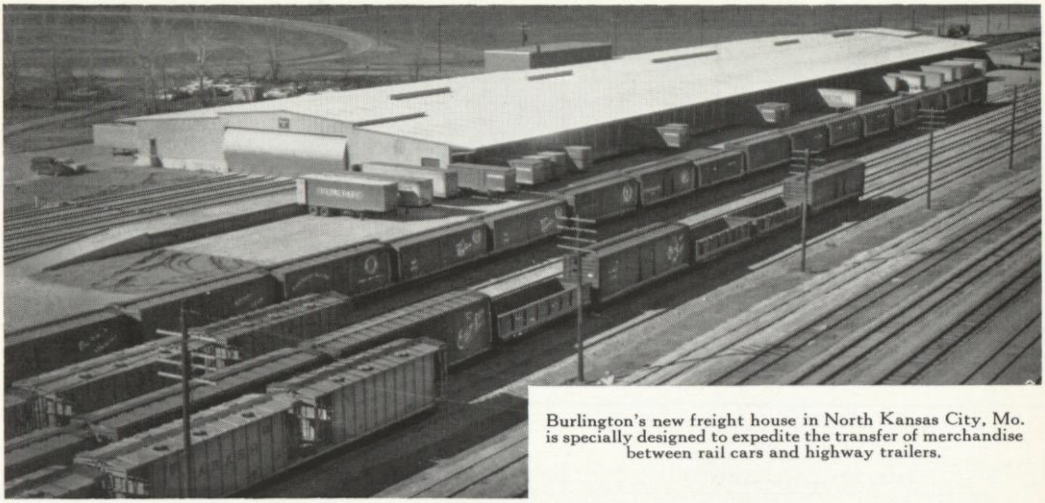
Kansas City Freight House (see opposite page)

A modern steel freight house at North Kansas City, strategically located near the railroad's freight yard and industrial districts, Paseo Bridge, and main arterial highways, was opened for operation on June 27.

Built at a cost of $1,750,000 on a 21-acre site, and serving both the railroad and Burlington Truck Lines, Inc., the new freight house is designed and equipped to expedite the transfer of merchandise between rail cars and highway trailers, and substantially reduces terminal handling time on less-carload freight.

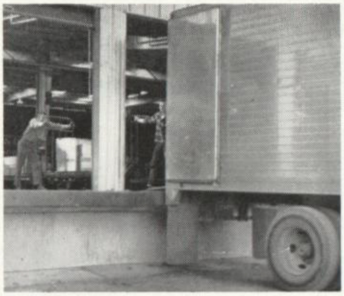
The 709-foot long freight house contains more than 100,000 square feet of space under one roof. Its track can hold 60 freight cars, and 116 trucks can be accommodated at the loading docks. Freight is moved inside the house on platform trucks connected to a floor conveyor system. Electric pushbuttons operate a retractable center bridge which spans the tracks and, at each end of the house, overhead aluminum rocker doors that open or close in thirty seconds to permit the entrance or exit of freight cars.

BURLINGTON'S NEW KANSAS CITY FREIGHT HOUSE

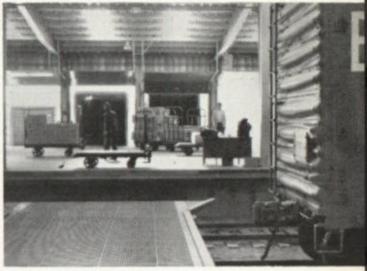


Burlington's new freight house in North Kansas City, Mo. is specially designed to expedite the transfer of merchandise between rail cars and highway trailers.

Downtown Kansas City is only a few minutes from the new freight house.



A new Burlington trailer at one of the 116 docks.



Retractable center bridge slides across tracks at the touch of a button.

Office staffs work in two-story brick office building on the north side of the house.

Concrete drive surrounding the building offers ample space for trucks to maneuver.

BURLINGTON

With more than 100,000 square feet of floor space under one roof, the house has two concrete platforms each 50 feet wide extending along both sides of four covered tracks running through the building.

New Quincy Bridge (see opposite page)

A new high-level bridge over the Mississippi River at Quincy, Illinois, was built at a cost of $9,575,000, and dedicated by President Harry C. Murphy on November 11, 1960, in a joint ceremony with the U.S. Army Corps of Engineers. The bridge replaces one built originally in 1868 and rebuilt during 1897-1902. It affords 300-foot horizontal and 63-foot vertical clearances.

The U. S. Army Engineers changed the navigation channel from the Missouri to the Illinois side of the Mississippi to allow barge traffic a straight-channel approach to the bridge.

LABOR

Agreements were made nationally during 1960 with all operating and non-operating crafts holding representation on this railroad (with exception of the Railroad Yardmasters of America) in disposition of requests made in notices served on the railroads of the nation during 1959.

Agreements with the operating crafts included a 2 per cent wage increase effective July 1, 1960, and an additional 2 per cent wage increase effective March 1, 1961.

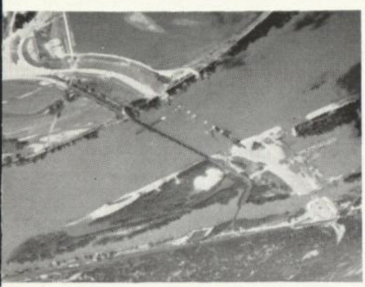
The agreement with non-operating organizations provided for a wage increase of 5 cents per hour effective July 1, 1960 and reduced qualification requirements for vacations and paid holidays. The agreement also provides for improved health and welfare benefits with inclusion of a group life insurance policy of $4,000 for each employe effective March 1, 1961, in lieu of further wage increase.

The cost-of-living provisions in former agreements with both operating and non-operating crafts were cancelled after adjustments made thereunder were made a part of the basic rates. Also, all of the current agreements provide a moratorium on any further changes in rates of pay before November 1, 1961. The last cost-of-living adjustment was a one cent an hour increase which became effective May 1, 1960.

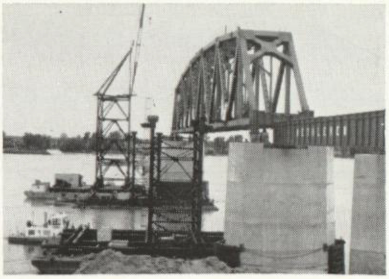
The wage adjustments, cost of additional health and welfare benefits, and reduced qualification for vacations, referred to above, will increase the annual operating expense on the CB&Q approximately $5,200,000.

A Presidential Railroad Commission has been appointed to hear and make recommendations on the rules disputes with the operating crafts growing out of notices served by the nation's railroads in November 1959. They will begin hearings in Washington, D.C. in January 1961.

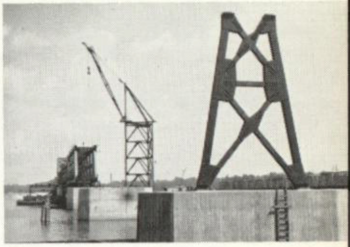
Dedication of BURLINGTON'S NEW QUINCY BRIDGE, Nov. 11, 1960



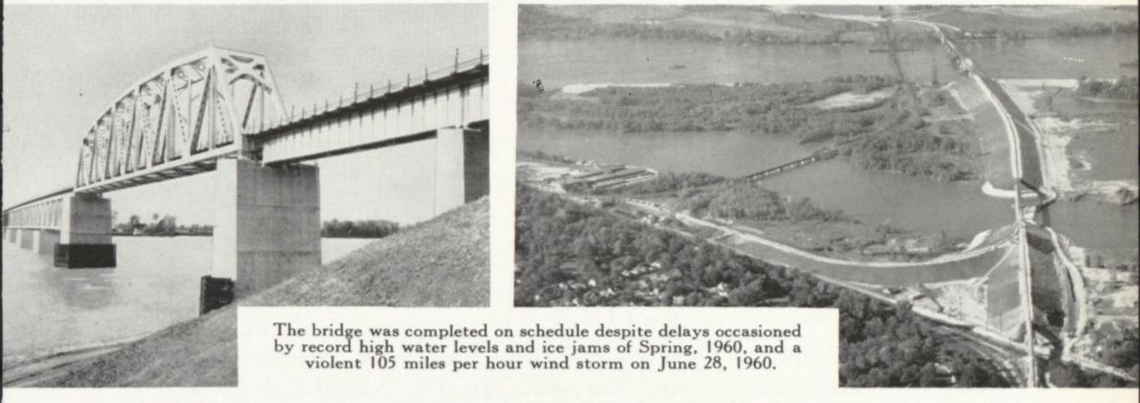
July 15, 1960
Aerial view of entire Quincy Bridge project under construction.



June 6, 1960
Looking Northwest at East portal of span twelve.



August 30, 1960
Looking Southeast at steel rent erected on span four. Steel spans were floated into place.

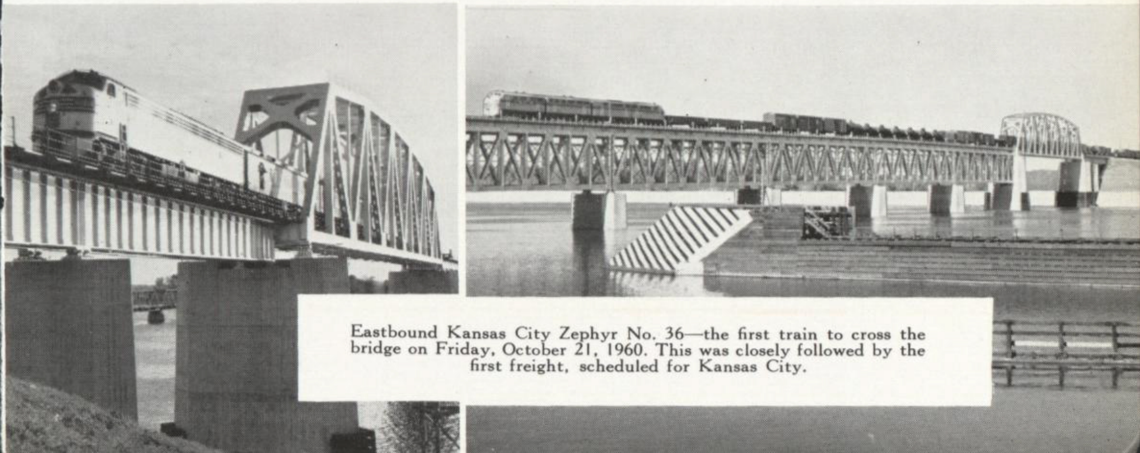


The bridge was completed on schedule despite delays occasioned by record high water levels and ice jams of Spring, 1960, and a violent 105 miles per hour wind storm on June 28, 1960.

November 11, 1960
A special train carrying participants to bridge dedication.

All set to formally open the $9,575,000 new bridge are Burlington's President, H. C. Murphy and Colonel E. M. Fry —Army Corps of Engineers.

Closeup shows actual ribbon cutting. Dedication plaque at upper right.



Eastbound Kansas City Zephyr No. 36—the first train to cross the bridge on Friday, October 21, 1960. This was closely followed by the first freight, scheduled for Kansas City.

LINE ABANDONMENTS

During the year 1960, the Interstate Commerce Commission authorized the abandonment of the following lines:

Between	Mileage
Fulton and Ebner, Illinois	5.66 miles
Alexis and Gerlaw, Illinois	6.14 "
Total	11.80 "

In addition, six other applications were filed with the Commission during 1960, seeking permission to abandon portions of various branch lines in Illinois and Iowa, totaling 59.15 miles. These applications are still pending.

Other branch lines are under active study for possible abandonment in 1961.

1960 SAFETY AWARD

Safety of employes and the general public is an important concern of the railroad industry. The Burlington has continued to take every precaution to prevent on-the-job accidents, as well as at-home and off-job accidents, all of which involve employes in needless pain, expense, and loss of time. In addition, the Burlington has directed special attention to the hazards of trespassing and rail-highway crossings. Preventive work has earned the Burlington its fifth National Safety Council Award for Public Safety Activities in six years, in recognition of its "outstanding safety program for its employes and the general public."

A radio-equipped Burlington fast freight train speeds along the main line, protected by modern automatic signaling.

GENERAL

DEBT

During 1960 capital liabilities of the Company decreased $5,977,049:

	Increase	Decrease	Net
Funded Debt............	$ —	$ 685,000	$ 685,000 Decrease
Equipment Obligations...	5,547,835	10,839,884	5,292,049 Decrease
Total..............	$5,547,835	$11,524,884	$5,977,049 Decrease

DIVIDENDS

Dividends totaling $7.50 per share were paid in 1960, the ninety-ninth consecutive year in which the Company has paid a dividend.

TAXES

Taxes in 1960 decreased $1,973,872 compared with 1959:

	1960	
Federal Income Taxes..................	$ 3,271,213	$1,352,835 Decrease
Federal Railroad Retirement Taxes......	7,077,558	173,671 Increase
Federal Unemployment Taxes...........	3,938,882	296,553 Increase
State, and Miscellaneous Government Taxes............................	10,890,419	1,278,755 Decrease
	$25,178,072	$2,161,366 Decrease
Less Federal Income Taxes credited to Retained Income....................	767,131	187,494 Decrease
Total...........................	$24,410,941	$1,973,872 Decrease

Total taxes in 1960 amounted to 9.72 per cent of total operating revenues, equivalent to $14.29 per share of capital stock or almost twice the amount paid in dividends.

Amortization and Accelerated Depreciation

In 1960 the overstatement of net income resulting from prescribed accounting with respect to certified defense facilities was less than in recent years. As explained in previous Reports, for tax purposes that portion of the cost of facilities so certified has been amortized over a sixty-month period but under Interstate Commerce Commission accounting regulations depreciation at normal straight line rates has been stated in the accounts. The approximate effect has been as follows:

	1960	1959	Since January 1, 1950
Amortization deductions.............	$7,046,000	$8,927,230	$93,771,234
Excess of amortization over I.C.C. depreciation.......................	$3,435,412	$5,295,498	$68,716,578
Reduction in income taxes, and increase in net income.............	$1,786,414	$2,753,659	$35,626,949
Effect per share of stock.............	$ 1.05	$ 1.61	$ 20.85

Amortization and Accelerated Depreciation (continued) —

For the CB&Q the period during which this accounting treatment reduces tax accruals and increases net income ends in 1961, and thereafter tax accruals will be increased and net income decreased by approximately the same amount.

An overstatement of net income also results from our use, for tax purposes, of depreciation on newly-acquired property under optional accelerated methods of computation, while continuing to report, under I.C.C. regulations, a lesser amount of normal straight line depreciation in the accounts on the same property. The approximate effect has been as follows:

	1960	**1959**	**Since January 1, 1954**
Accelerated depreciation deductions	$7,475,471	$5,855,658	$23,255,046
Excess of accelerated depreciation over I.C.C. depreciation	$3,605,408	$3,115,065	$11,373,971
Reduction in income taxes, and increase in net income	$1,874,812	$1,619,834	$ 5,914,465
Effect per share of stock	$ 1.10	$ 0.95	$ 3.46

As this property is continued in use in the future straight line depreciation will exceed the amount allowable for tax purposes under the accelerated method and tax accruals then will be increased and net income decreased by approximately the same amounts.

EMPLOYE BENEFITS

During 1960 the following was paid to or for the benefit of employes and their families:

(1) Direct payments of $761,940 for disability and death claims by Burlington Relief Department. Similar payments in 1959 were $778,720, a decrease in 1960 of $16,780 or 2.15 per cent.

(2) Federal taxes of $7,077,558 for retirement and survivor benefits paid by Burlington under the Railroad Retirement Act of 1937. Similar taxes paid in 1959 were $6,903,887, an increase in 1960 of $173,671 or 2.5 per cent.

(3) Federal taxes of $3,938,882 for unemployment, sickness, and maternity benefits paid by Burlington under the Railroad Unemployment Insurance Act. Similar taxes paid in 1959 were $3,642,329, an increase in 1960 of $296,553 or 8.14 per cent.

Increases in Federal taxes under the Railroad Retirement Act and Railroad Unemployment Insurance Act resulted from amendments, effective June 1, 1959, increasing the rates and base upon which the taxes are computed.

BURLINGTON TRUCK LINES, INC.

Burlington Truck Lines, Inc., a wholly-owned subsidiary, completed 25 years of operation October 3, 1960. In establishing this truck operation 25 years ago, the Burlington Railroad inaugurated a new, co-ordinated service for midwestern shippers when it acquired three small truck lines and engaged in the trucking business.

From a small nucleus of 30 employes, 93 pieces of equipment, and 1,400 route miles, the trucking operation has grown in the past quarter century to become one of the nation's major truck lines, employing 1,640 persons, and operating nearly 3,000 vehicles over 9,000 route miles in an eight-state area between the Great Lakes and the Rocky Mountains. Gross revenues, less than $400,000 in 1935, have increased to over $16,000,000 in 1960, while revenue freight volume soared from 50,000 to about 700,000 tons in this period.

Equipment used by Burlington Truck Lines today has come a long way from the small trailers and 94-horsepower, gasoline-powered tractors of 1935. Now, 220-horsepower diesel tractors wheel loaded 40-foot trailers over the road on swift schedules.

Special purpose equipment such as flatbed, slide-top, tanker, and refrigerated trailers now supplement standard van-type trailers, and more than 90 per cent of the company's rolling stock has been acquired in the past five years. Radio and teletype also have been introduced to speed freight movements and pickup and delivery service.

The highlights of Burlington Truck Lines' operations in 1960 compared with 1959 are as follows:

1—Operating revenues $16,220,062, an increase of $346,871 or 2.2 per cent.
2—Operating expenses $15,726,268, an increase of $717,224 or 4.8 per cent.
3—Net income $279,666, a decrease of $534,921 or 65.7 per cent.
4—Intercity truck miles operated 14,994,662, a decrease of 961,794 or 6.0 per cent.
5—Pickup and delivery miles operated 2,985,926, an increase of 129,259 or 4.5 per cent.

Burlington Route
FREIGHT HOUSE EIGHT
Burlington
Burlington
Burlington

Cab-over-engine tandem drive tractor contrasted with vehicle of 1935 vintage.

Burlington Truck Lines, Inc. (continued)

Tax refund in 1959, increase in taxes and licenses in 1960, higher wages due to escalator clauses in labor contracts and cost-of-living adjustments in 1960, along with decrease in equipment rental credits, were the primary factors in the increase in operating expenses and decrease in net income.

The truck line performs pick-up and delivery service for the Railroad in 53 cities and provides service in the handling of TOFC loads at 40 ramp locations in major cities, and contributed substantially in 1960 to TOFC operations of CB&Q in that 13,712 truck-billed trailer loads were moved in "piggyback" service. This traffic is handled under Plan I.

During 1960 the Interstate Commerce Commission authorized acquisition, effective December 5, 1960, of the Arrow Freight Line with operating rights of over 825 route miles in Nebraska. The Commission also authorized temporary certificate to permit operation under lease of the H. B. Green Transportation Line, Inc. of Burlington, Iowa, pending decision on application for permanent certificate. The lease operation was effective December 27, 1960. Application to acquire the Filbey Truck Lines is still pending. Favorable report and recommended order have been received and acquisition authority is expected early in 1961. Certificate was received covering authority to provide service between Aurora, Illinois, and Savanna, Illinois, effective April 26, 1960.

In addition to acquisitions and extensions of authority, certificates were issued covering eleven alternate routes for operating convenience only. These alternate routes will effect a daily saving of 181 truck miles. Application is pending on an additional alternate route which will provide shorter mileage between Chicago and Jacksonville, Illinois. Applications are also pending covering extension of operations in four other areas.

Units of highway revenue freight equipment owned as of December 31, 1960, compared with 1959, were as follows:

	1960	**1959**
Trucks	150	149
Truck-tractors	478	464
Semi-trailers	2,245*	1,709†

*Includes 600 owned by CB&Q RR.
†Includes 52 under lease.

MERGERS

Great Northern Pacific & Burlington Lines, Inc.

On July 16, 1960, a joint public announcement was made on behalf of Burlington, Great Northern and Northern Pacific, concerning consolidation of the three companies. At or about that time the interested Boards of Directors gave general approval to a merger program which had been evolved over a period of several years with the advice of Wyer, Dick and Company, consultants, as to the economic aspects of the merger, and with the advice of Morgan Stanley & Company and The First Boston Corporation, investment bankers, as to its financial aspects. Preparation of formal merger agreements, and other necessary documents, was then undertaken with a view to early submission of a detailed plan for approval by the interested stockholders and by the Interstate Commerce Commission.

At meetings held January 26, 1961, the Boards of Directors of the interested companies gave formal approval to detailed merger agreements and other necessary legal documents. On February 17, 1961, applications were filed with the Interstate Commerce Commission, seeking approval of the merger, with the understanding, however, that such action is subject to approval by the interested stockholders. Stockholders of Burlington will vote on the proposal at their annual meeting in Chicago, Illinois, May 3, 1961.

Under the merger program—

All the properties of Great Northern, Northern Pacific and Burlington will be merged into a new Delaware corporation, **Great Northern Pacific & Burlington Lines, Inc.,** which will operate the railroad properties of the three constituent companies, and will also operate, under lease, the properties of Spokane, Portland and Seattle Railway Company.

Stockholders of Burlington (other than Great Northern and Northern Pacific) will receive 3¼ shares of common stock of the New Company for each share of Burlington stock; stockholders of Northern Pacific will receive 1 share of common stock of the New Company for each share of Northern Pacific stock; and stockholders of Great Northern will receive 1 share of common stock in the New Company, together with ½ share of $10 par value 5½% cumulative preferred stock of the New Company, for each share of Great Northern stock.

Mergers (continued)

Wyer, Dick and Company estimate that, based essentially on the volume of traffic believed by them to be normal for the relatively near future and on the tariff rate and expense level of July 1, 1960, the unification would, after a transition period of approximately four years, result in an increase in net income of approximately $43 million annually before Federal income taxes.

The benefits of the merger to the stockholders, and to the public, include increased earning power, faster freight service, improved car supply, more through routes, more advantageous transit and diversion privileges, and increased capital for modernization and improvement of the consolidated system.

Western Pacific Case

By application filed with the Interstate Commerce Commission, October 12, 1960, the Southern Pacific Company sought authority to acquire control of the Western Pacific Railroad Company, which operates lines of railroad in California, Nevada and Utah, including a main line between Salt Lake City, Utah, and Oakland, California.

By application filed October 25, 1960, The Atchison, Topeka and Santa Fe Railway Company sought the **same authority.** The two applications have been consolidated for hearing and disposition, and numerous interested parties, including several railroads, have intervened in the consolidated proceeding.

The Burlington is interested in this litigation because it participates, with the Western Pacific and other carriers, in the movement of both freight and passengers, via the Salt Lake City gateway, between Chicago and the Pacific Coast.

To protect and preserve the integrity of this route, the Burlington has intervened in the Western Pacific acquisition case in an effort to make sure that the flow of traffic via existing routes and gateways will be preserved, and that existing competitive relationships will be maintained, if **either** Southern Pacific or Santa Fe is authorized to acquire control of the Western Pacific.

In addition to the foregoing action in the Western Pacific case, to further protect our interest in the Denver-Salt Lake City-Oakland route, a Burlington wholly-owned subsidiary acquired 100,200 shares of the common stock of The Denver and Rio Grande Western Railroad Company—one of the lines which participate with Burlington in the movement of trans-continental traffic via the Denver-Salt Lake City gateways.

CHANGES IN ORGANIZATION

Mr. William B. Simmons, General Superintendent of Transportation since 1949, died August 3, 1960.

Mr. J. W. Wheeler, Executive Assistant, retired September 30, 1960.

Dr. R. B. Kepner, Chief Medical Officer, retired July 31, 1960.

Mr. R. G. Johnson was appointed General Superintendent of Transportation effective October 16, 1960.

Dr. H. W. Hammatt was appointed Chief Medical Officer August 1, 1960.

* * *

The Company acknowledges, with sincere appreciation, the loyalty and efficient services of officers and employes.

By order of the Board of Directors.

H. C. MURPHY, President

GENERAL BALANCE SHEET

December 31, 1960

ASSETS

CURRENT ASSETS:		
Cash		$ 19,524,005
Temporary cash investments		12,770,228
Special deposits		139,244
Loans & notes receivable		3,700
Net balance receivable from agents and conductors		4,776,927
Miscellaneous accounts receivable		8,457,183
Interest and dividends receivable		579,887
Accrued accounts receivable		5,901,197
Working fund advances		135,648
Prepayments		214,591
Material and supplies		20,688,399
Other current assets		274,728
Total current assets		73,465,737
SPECIAL FUNDS:		
Sinking funds		1,732
Capital and other reserve funds		433,832
Insurance and other funds		1,481,090
Total special funds		1,916,654
INVESTMENTS:		
Investments in affiliated companies:		
Stocks	$ 26,837,781	
All other	15,519,570	42,357,351
Other investments:		
Stocks	$ 3,124,803	
Bonds	5,611,688	
All other	317,353	9,053,844
Total investments		51,411,195
PROPERTIES:		
Road and equipment property		943,717,352
Accrued depreciation—Road and equipment	$217,481,707	
Amortization of defense projects—Road and equipment	39,492,791	256,974,498
Total transportation property less recorded depreciation and amortization		686,742,854
Miscellaneous physical property		10,125,342
Total properties less recorded depreciation and amortization		696,868,196
OTHER ASSETS AND DEFERRED CHARGES:		
Other assets		1,245,187
Unamortized discount on long-term debt		576,190
Other deferred charges		4,549,633
Total other assets and deferred charges		6,371,010
Grand Total		$830,032,792

GENERAL BALANCE SHEET

December 31, 1960

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Traffic and car-service balances—Cr.		$ 1,945,333
Audited accounts and wages payable		7,133,996
Miscellaneous accounts payable		3,093,003
Interest matured unpaid		500,747
Unmatured interest accrued		2,305,907
Accrued accounts payable		6,265,654
Federal income taxes accrued		789,308
Other taxes accrued		9,734,808
Other current liabilities		2,951,621
Total current liabilities		34,720,377
LONG-TERM DEBT DUE WITHIN ONE YEAR:		
Equipment obligations and other debt		12,789,366
LONG-TERM DEBT:		
Funded debt unmatured (Page 41):		
Total issued	$160,193,000	
Held by or for company	29,869,000	130,324,000
Equipment obligations (Page 41)		77,592,101
Amounts payable to affiliated companies		670,495
Total long-term debt		208,586,596
RESERVES:		
Insurance reserves		2,677,426
Casualty and other reserves		6,737,587
Total reserves		9,415,013
OTHER LIABILITIES AND DEFERRED CREDITS:		
Other liabilities		1,118,655
Unamortized premium on long-term debt		195
Other deferred credits		572,609
Accrued depreciation—Leased property		154,023
Total other liabilities and deferred credits		1,845,482
SHAREHOLDERS' EQUITY:		
Capital stock issued		170,839,100
Common stock—Par value $100 per share.		
Capital surplus		526,285
Retained income		
Retained income—Appropriated (Page 37)		48,025,460
Retained income—Unappropriated (Page 37)		343,285,113
Total retained income		391,310,573
Total shareholders' equity		562,675,958
Contingent liabilities (Page 48)		
Grand Total		$830,032,792

COMPARATIVE STATEMENT OF INCOME, YEARS ENDED DECEMBER 31

(See Pages 45 to 47)

Percent of Ry. Oper. Revenue	1960	Railway Operating Revenues	1959	Percent of Ry. Oper. Revenue
80.63	$202,493,479	Freight	$215,330,208	81.85
8.54	21,430,686	Passenger	20,746,554	7.89
5.10	12,814,419	Mail	12,219,961	4.64
1.41	3,550,124	Express	3,632,479	1.38
1.88	4,726,216	All other transportation	5,003,857	1.90
1.93	4,848,617	Incidental	4,673,899	1.78
.51	1,272,349	Joint Facility	1,465,925	.56
100.00	251,135,890	Total railway operating revenues	263,072,883	100.00
Operating Ratios		**Railway Operating Expenses**		Operating Ratios
13.57	34,084,898	Maintenance of way and structures	36,161,543	13.75
18.48	46,414,611	Maintenance of equipment	48,757,340	18.53
3.01	7,568,132	Traffic	7,565,867	2.88
41.08	103,168,403	Transportation	104,916,115	39.88
1.40	3,503,779	Miscellaneous operations	3,633,521	1.38
3.67	9,211,709	General	8,840,683	3.36
81.21	203,951,532	Total railway operating expenses	209,875,069	79.78
18.79	47,184,358	Net revenue from railway operations	53,197,814	20.22
	3,271,214	Federal income taxes	4,624,048	
	11,016,440	Federal payroll taxes	10,546,216	
	10,890,418	All other taxes	12,169,174	
	*25,178,072	Total taxes	*27,339,438	
	22,006,286	Railway operating income	25,858,376	
	Dr. 2,799,333	Hire of equipment—Net	Dr. 4,061,217	
	Dr. 2,574,455	Joint facility rents—Net	Dr. 2,355,133	
	16,632,498	Net railway operating income	19,442,026	
		Other Income		
	1,217,444	Rentals	1,198,945	
	1,991,567	Dividends and interest	2,013,435	
	586,809	Miscellaneous	2,777,096	
	3,795,820	Total other income	5,989,476	
	20,428,318	Total income	25,431,502	
		Deductions from Total Income		
	33,210	Rents payable	29,446	
	181,523	Taxes on nonoperating property	153,492	
	108,072	Miscellaneous income charges	203,564	
	322,805	Total deductions	386,502	
	20,105,513	Income available for fixed charges	25,045,000	
		Fixed Charges		
	57,293	Rent for leased roads and equipment	56,623	
	7,484,585	Interest on funded debt	7,228,783	
	1,245	Interest on unfunded debt	1,441	
	69,252	Amortization of discount on funded debt	62,010	
	7,612,375	Total fixed charges	7,348,857	
	12,493,138	Net income	17,696,143	
	12,812,902	Dividends	12,812,902	

*See Page 27—"Taxes"

COMPARATIVE STATEMENT OF UNAPPROPRIATED RETAINED INCOME ACCOUNT, YEARS ENDED DECEMBER 31

	1960	1959	Increase	Decrease
CREDITS:				
Credit balance at beginning of year	$344,313,003	$337,503,798	$ 6,809,205	
Credit balance transferred from income	12,493,138	17,696,143		$ 5,203,005
Miscellaneous credits	767,131	3,761,785		2,994,654
Total	$357,573,272	$358,961,726		$ 1,388,454
DEBITS:				
Dividends	$ 12,812,902	$ 12,812,902		
Miscellaneous debits	1,475,257	1,835,821		$ 360,564
Credit balance carried to balance sheet	343,285,113*	344,313,003*		1,027,890
Total	$357,573,272	$358,961,726		1,388,454

* Approximate application of Income included in Unappropriated Retained Income as of December 31:

	1960	1959
Net working capital retained in the business	$ 40,524,381	$ 46,419,081
Invested in affiliated and non-affiliated companies	24,403,347	23,246,474
Expended in improving the Railroad plant	278,357,385	274,647,448
	$343,285,113	$344,313,003

Appropriated Retained Income of $48,025,460 (Page 35) was expended in retiring Funded Debt prior to Year 1928.

INVESTMENT IN ROAD AND EQUIPMENT

YEAR 1960

Account		Additions and Betterments
Engineering		$ 250,980
Land for transportation purposes	Cr.	358,208
Other right-of-way expenditures		19,781
Grading		1,093,670
Tunnels and subways	Cr.	862
Bridges, trestles and culverts		4,440,589
Ties		231,773
Rails		221,419
Other track material		246,221
Ballast		262,571
Track laying and surfacing		206,940
Fences, snowsheds and signs		35,633
Station and office buildings		579,090
Roadway buildings	Cr.	20,457
Water stations	Cr.	208,730
Fuel stations	Cr.	75,482
Shops and enginehouses	Cr.	101,711
Coal and ore wharves		666,410
Communication systems		180,102
Signals and interlockers		620,749
Power Plants	Cr.	62,520
Power-transmission systems	Cr.	43,603
Miscellaneous structures		11,637
Roadway machines		325,782
Roadway small tools		168
Public improvements—Construction		99,543
Shop machinery		52,932
Power-plant machinery	Cr.	131,609
Total expenditures for road		8,542,808
Steam Locomotives	Cr.	4,491,327
Other locomotives	Cr.	1,784,673
Freight-train cars		6,153,899
Passenger-train cars	Cr.	825,936
Work equipment	Cr.	67,829
Miscellaneous equipment		3,677,119
Total expenditures for equipment		2,661,253
General officers and clerks	Cr.	14,514
Law	Cr.	8,491
Stationery and printing	Cr.	1,131
Taxes	Cr.	6,894
Interest during construction	Cr.	204,547
Other expenditures—General	Cr.	1,540
Total general expenditures	Cr.	237,117
Grand Total		$10,966,944

"Cr."—Credits due to retirements.

STATISTICS OF OPERATIONS

ITEMS	1960	1959
Actual miles road operated, end of year	8,648.31	8,670.37
Average mileage of road operated—Total	8,659.25	8,683.45
Average mileage of road operated—Freight Service	8,621.39	8,649.28
Average mileage of road operated—Passgr. Service	4,204.92	4,302.17
TRAIN MILES		
Freight	12,306,304	12,872,131
Passenger	9,331,904	10,166,127
Total transportation service	21,638,208	23,038,258
Work service	82,862	128,797
LOCOMOTIVE MILES		
Freight	12,580,094	13,174,513
*Passenger	9,274,677	9,960,646
Train and yard switching	6,417,246	6,535,601
Total transportation service	28,272,017	29,670,760
Work service	591,903	618,741
CAR MILES		
Loaded freight cars	517,160,811	543,558,895
Empty freight cars	299,266,646	303,634,389
Sum of loaded and empty	816,427,457	847,193,284
Caboose	12,248,841	12,751,546
Total freight cars	828,676,298	859,944,830
Coach and combination passenger cars	26,355,876	26,938,029
Sleeping and parlor	18,104,815	18,751,202
Club, lounge, dining and observation	9,742,236	9,897,847
Other	37,884,070	38,873,339
Total passenger cars	92,086,997	94,460,417
Total transportation service	920,763,295	954,405,247
Work service	740,268	1,041,503
FREIGHT SERVICE		
Tons—revenue freight	47,272,863	48,817,715
Tons—revenue and non-revenue freight	49,247,617	51,146,125
Ton-miles—revenue freight	15,256,220,477	15,693,022,126
Ton-miles—revenue and non-revenue freight	15,754,455,800	16,302,121,200
PASSENGER SERVICE		
Passengers carried—revenue	11,397,962	12,191,416
Passenger miles—revenue	874,278,825	872,350,797

*Excludes mileage of combination motor passenger cars:
1960—165,448
1959—311,431

STATISTICS OF OPERATIONS—Continued

ITEMS	1960	1959
AVERAGES PER MILE OF ROAD		
Freight-train miles	1,427	1,488
Passenger-train miles	2,219	2,363
Transportation service train-miles	2,499	2,653
Transportation service locomotive-miles	3,265	3,417
Freight service car-miles	96,119	99,424
Passenger service car-miles	21,900	21,956
Freight revenue	$23,487.34	$24,895.74
Passenger service train revenue	$ 9,686.23	$ 9,191.67
Operating revenues	$29,002.04	$30,295.89
Operating expenses	$23,553.03	$24,169.55
Net operating revenue	$ 5,449.01	$ 6,126.34
Net railway operating income	$ 1,920.78	$ 2,238.98
Ton-miles—revenue freight	1,761,841	1,807,234
Ton-miles—all freight	1,827,368	1,884,795
Passenger-miles—revenue	100,965	100,461
AVERAGES PER TRAIN-MILE		
Loaded freight car-miles	42.02	42.23
Empty freight car-miles	24.32	23.59
Ton-miles—revenue freight	1,239.71	1,219.15
Ton-miles—all freight	1,280.19	1,266.47
Passenger train car-miles	9.87	9.29
Revenue passenger-miles	93.69	85.81
Freight revenue	$ 16.45	$ 16.73
Passenger service train revenue	$ 4.36	$ 3.89
Operating revenues	$ 11.61	$ 11.42
Operating expenses	$ 9.43	$ 9.11
Net operating revenue	$ 2.18	$ 2.31
AVERAGES PER LOADED FREIGHT CAR MILE		
Ton-miles—revenue freight	29.50	28.87
Ton-miles—all freight	30.46	29.99
Freight revenue	$ .39155	$ .39615
AVERAGES PER CAR-MILE, PASSENGER		
Passenger-miles—revenue	19.87	19.30
Passenger revenue	$ .48703	$ .45889
MISCELLANEOUS AVERAGES		
Miles hauled—revenue freight	322.73	321.46
Miles hauled—non-revenue freight	251.92	261.59
Miles hauled—all freight	319.90	318.74
Miles carried—revenue passengers	76.70	71.55
Revenue per ton of freight	$ 4.28351	$ 4.41090
Revenue per ton-mile of freight	$ .01327	$ .01372
Revenue per passenger	$ 1.88022	$ 1.70173
Revenue per passenger-mile	$ .02451	$ .02378
Operating ratio	81.21	79.78

LONG-TERM DEBT December 31, 1960

Name and Character of Obligation	Interest Rate %	Maturity Date	Outstanding With Public	Held in Treasury Unpledged
FIRST AND REFUNDING MORTGAGE BONDS				
Series of 1970	4.5	1970	$	$10,140,000
Series of 1970	2.875	1970	(a) 45,582,000	227,000
Series of 1978	4.375	1978	(b) 22,500,000	500,000
Series of 1985	3.125	1985	(c) 41,901,000	99,000
Series of 1990	3	1990	(d) 22,043,000	74,000
Series of 1998	4	1998		19,729,000
Total Bonds			$132,026,000	$30,769,000
EQUIPMENT OBLIGATIONS				
Equipment Trust Certificates		Serially to		
1948	2.25	1963	$ 1,205,000	$
1949 No. 1	2.25	1964	749,000	
1950	2.125	1965	3,060,000	
1953 No. 1	3.25	1968	3,525,000	
1953 No. 2	2.875	1968	2,880,000	
1954 No. 1	2.625	1969	4,400,000	10,000
1954 No. 2	2.625	1969	2,860,000	20,000
1955 No. 1	2.875	1970	5,800,000	
1955 No. 2	3.125	1970	2,900,000	
1956 No. 1	3.125	1971	5,460,000	
1956 No. 2	3.875	1971	2,640,000	
1957	3.75	1972	5,750,000	
1958 No. 1	3.5	1973	3,750,000	
1958 No. 2	3.5	1973	4,000,000	
1958 No. 3	3.375	1973	5,330,000	
1959 No. 1	4.375	1974	3,780,000	
1959 No. 2	4.625	1974	6,580,000	
1959 No. 3	5	1974	2,940,000	
1960	4.625	1975	2,550,000	
Conditional Payment Contracts				
The Northern Trust Co.	4.25	1965	3,259,688	
The Northern Trust Co.	4.25	1965	837,187	
The Northern Trust Co.	4.25	1964	770,600	
The Northern Trust Co.	4.75	1964	231,260	
The Northern Trust Co.	4.75	1964	679,968	
Chicago—Assignee				
First National Bank	5	1965	937,584	
First National Bank	5	1965	468,792	
First National Bank	5	1965	173,604	
Chicago—Assignee				
Morgan Guaranty Trust Co., New York—Assignee	3.25 and 3.375	1967	10,517,927	
Continental Illinois Nat'l Bank & Trust Co., Chicago—Assignee	4	1967	643,857	
Total Equipment Obligations			$ 88,679,467	$ 30,000
Total Long-Term Debt			$220,705,467	$ 30,799,000

(a) Annual sinking fund $248,825.

(b) Annual sinking fund $500,000.

(c) Annual sinking fund $325,000 together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year.

(d) Annual sinking fund $250,000.

CHANGES IN CAPITAL LIABILITIES IN 1960

	Increase	Decrease
Bonds:		
First and Refunding 2⅞% Series of 1970		$ 175,000
First and Refunding 3⅛% Series of 1985		310,000
First and Refunding 3% Series of 1990		200,000
Principal of Equipment Obligations:		
Equipment Trust of 1948		482,000
Equipment Trust of 1949—No. 1		214,000
Equipment Trust of 1950		540,000
Equipment Trust of 1953—No. 1		470,000
Equipment Trust of 1953—No. 2		360,000
Equipment Trust of 1954—No. 1		490,000
Equipment Trust of 1954—No. 2		320,000
Equipment Trust of 1955—No. 1		580,000
Equipment Trust of 1955—No. 2		290,000
Equipment Trust of 1956—No. 1		520,000
Equipment Trust of 1956—No. 2		240,000
Equipment Trust of 1957—No. 1		500,000
Equipment Trust of 1958—No. 1		300,000
Equipment Trust of 1958—No. 2		320,000
Equipment Trust of 1958—No. 3		410,000
Equipment Trust of 1959—No. 1		280,000
Equipment Trust of 1959—No. 2		470,000
Equipment Trust of 1959—No. 3		210,000
Equipment Conditional Sale Contracts		3,843,884
Securities Issued:		
Equipment Trust of 1960—No. 1	$ 2,550,000	
Equipment Conditional Sale Contracts	2,997,835	
	$ 5,547,835	$11,524,884
Net Decrease		$ 5,977,049

DESCRIPTION OF MORTGAGES

First and Refunding Mortgage

The First and Refunding Mortgage is a first lien on 7926.83 miles of main and branch line railroad now owned by the Company including terminals and appurtenant property, situated in the States of Illinois, Wisconsin, Minnesota, Iowa, Missouri, Nebraska, Kansas, Colorado, South Dakota, Wyoming and Montana; is a first lien on all locomotives, cars and other rolling stock and equipment owned by the Company and not subject to any equipment trust or conditional sale agreement securing the purchase price thereof; and also is a first lien on 358,563 shares of capital stock of The Colorado and Southern Railway Company, which are pledged under this Mortgage.

Additional First and Refunding Mortgage Bonds may be issued, subject to the provisions and limitations of the Mortgage and the Supplemental Indentures thereto.

Provisions for the redemption of each series of First and Refunding Mortgage Bonds, and the sinking funds are summarized as follows:

Series of 1970 2⅞% Bonds may be redeemed as a whole, or in part, on any interest date at 102⅞ August 1, 1957 to July 31, 1961; at 101⅞ August 1, 1961 to July 31, 1965; thereafter the premium reduces periodically to August 1, 1969, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $248,825 for redemption of Series of 1970 2⅞% Bonds is payable to the Trustee on or before May 1 each year. For such redemption, prices are 101⅜ August 1, 1957 to July 31, 1961; 100⅞ August 1, 1961 to July 31, 1965, reduced periodically to August 1, 1969, and thereafter at par; in each instance with accrued interest.

Series of 1978 4⅜% Bonds may be redeemed as a whole, or in part, on any interest date at 105 February 1, 1963 to January 31, 1964; thereafter the premium reduces periodically to January 31, 1976; after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $500,000, for redemption of Series of 1978 4⅜% Bonds is payable to the Trustee on or before November 1 each year. For such redemprion, prices are 103 February 1, 1958 to January 31, 1963; reduced periodically to January 31, 1976, and thereafter at par; in each instance with accrued interest.

Series of 1985 3⅛% Bonds may be redeemed as a whole, or in part, on any interest date at 103⅞ August 1, 1957 to July 31, 1961; 103⅜ August 1, 1961 to July 31, 1965; thereafter the premium reduces periodically to August 1, 1982, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $325,000, together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year, is payable to the Trustee on or before May 1 in each year for redemption of the Series of 1985 Bonds. Redemption prices are 101¾ August 1, 1957 to July 31, 1961; 101½ August 1, 1961 to July 31, 1965; reduced periodically to August 1, 1982, and thereafter at par; in each instance with accrued interest.

Series of 1990 3% Bonds may be redeemed as a whole, or in part, on any interest date at 103¼ February 1, 1958 to January 31, 1962, February 1, 1962 to January 31, 1966, 102¾; thereafter the premium reduces periodically to January 31, 1989, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $250,000 for redemption of Series of 1990 3% Bonds is payable to the Trustee on or before November 1 each year. For such redemption, prices are 100¾ February 1, 1958 to January 31, 1962, February 1, 1962 to January 31, 1966, 100¾; reduced periodically to January 31, 1989, and thereafter at par; in each instance with accrued interest.

MILEAGE

	Miles of Road	Second Track	Third Track	Fourth Track	Yard Tracks and Sidings*	Total
Owned						
Colorado	392.57	.52			176.03	569.12
Illinois	1,528.56	317.91	40.95	4.75	1,027.51	2,919.68
Iowa	927.47	249.44			276.53	1,453.44
Kansas	200.49				22.99	223.48
Minnesota	23.09	2.71			38.78	64.58
Missouri	1,121.42	35.44			444.95	1,601.81
Montana	134.53				46.89	181.42
Nebraska	2,636.26	29.32			758.84	3,424.42
South Dakota	183.49				30.77	214.26
Wisconsin	220.25	214.17			60.97	495.39
Wyoming	677.59				201.80	879.39
Total*	8,045.72	849.51	40.95	4.75	3,086.06	12,026.99
Operated under lease or contract	602.59	130.93	.76	.76	452.88	1,187.92
Grand Total*	8,648.31	980.44	41.71	5.51	3,538.94	13,214.91

*Includes yard tracks and sidings owned but not operated as follows:
Illinois .71 mile, Iowa .71 mile, Nebraska .27 mile, total 1.69 miles.

OWNED EQUIPMENT IN SERVICE

Description	Number on Dec. 31. 1959	Number Added During Year	Number Retired During Year	Number on Dec. 31, 1960	Average tractive power all locomotives and average capacity all freight cars
Locomotives:					
Steam	102		46	56	
Diesel Road	521		13	508	
Diesel Switch	177			177	
Gas-Electric					
Total Locomotives	800		59	741	62,816 Lbs.
Freight-train cars:					
Box	23,435	151	1,035	22,551	
Flat	2,372		76	2,296	
Stock	3,370		57	3,313	
Gondola and Hopper	15,013	650	414	15,249	
Rack		100		100	
Caboose	476	30	20	486	
All classes of freight-train cars	44,666	931	1,602	43,995	51.35 Tons
Passenger-train cars:+					
Coaches	292		3	289	
Combination coach	33		2	31	
Parlor	12		2	10	
Dining	48			48	
Club, lounge and observation	7			7	
Postal	24			24	
Baggage, express and other non-passenger	503		2	501	
Other passenger cars	29	1	14	16	
Total	948	1	23	926	
Passenger rail motor cars:					
Combination coach	4		2	2	
Other passenger-train rail motor	9		2	7	
Total	13		4	9	
All classes of passenger-train cars	961	1	27	935	
Company service cars:					
Business	12			12	
Ballast	1,288		1	1,287	
Derrick	4			4	
Wrecking	18			18	
Other company service	2,757	35	142	2,650	
All classes of company service cars	4,079	35	143	3,971	
All classes of cars in service	49,706	967	1,772	48,901	

OWNED EQUIPMENT LEASED

Description	Number Under Lease on Dec. 31, 1959	Number Leased During Year	Number Withdrawn from Lease During Year	Number Under Lease on Dec. 31, 1960
Freight-refrigerator cars*	2,354		43	2,311
Passenger-refrigerator cars*	3			3
Freight-flat cars@	15	10		25
Freight-gondola cars‡	100			100
Zephyr train cars‡	2			2
Sleeping cars#	85		1	84

+22 cars are articulated.

‡Leased to Fort Worth and Denver Ry. Co.

*Leased to Burlington Refrigerator Express Co.

#Leased to Pullman Co.

@ 15 cars leased to Fort Worth & Denver Ry. Co. and 10 cars to Colorado & Southern Ry. Co.

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31

	1960	1959	Increase	Decrease
RAILWAY OPERATING REVENUES—				
TRANSPORTATION:				
Freight	$202,493,479	$215,330,208		$ 12,836,729
Passenger	21,430,686	20,746,554	$ 684,132	
Baggage	28,585	35,678		7,093
Parlor and chair car	115,622	124,628		9,006
Mail	12,814,419	12,219,961	594,458	
Express	3,550,124	3,632,479		82,355
Other passenger-train	265,261	261,274	3,987	
Milk	124,932	159,377		34,445
Switching	4,191,815	4,422,900		231,085
Total	$245,014,923	$256,933,059		$ 11,918,136
INCIDENTAL:				
Dining and buffet	$ 2,400,188	$ 2,364,169	$ 36,019	
Station and train privileges	52,097	53,594		$ 1,497
Parcel room	203	256		53
Storage—Freight	11,748	9,418	2,330	
Storage—Baggage	3,179	3,313		134
Demurrage	769,743	787,149		17,406
Communication	72,706	76,208		3,502
Power	7,782	9,893		2,111
Rents of buildings and other property	526,568	513,025	13,543	
Miscellaneous	1,004,404	856,874	147,530	
Total	$ 4,848,618	$ 4,673,899	$ 174,719	
Joint facility—Cr.	$ 1,283,505	$ 1,480,549		$ 197,044
Joint facility—Dr.	Dr. 11,156	Dr. 14,624	$ 3,468	
Total	$ 1,272,349	$ 1,465,925		$ 193,576
Total railway operating revenues	$251,135,890	$263,072,883		$ 11,936,993

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31—Continued

	1960	1959	Increase	Decrease
RAILWAY OPERATING EXPENSES—				
Maintenance of way and structures	$ 28,975,000	$ 31,310,006		$ 2,335,006
Maintenance of equipment	33,312,822	36,116,380		2,803,558
Traffic	7,568,132	7,565,867	$ 2,265	
Transportation	103,168,403	104,916,115		1,747,712
Miscellaneous operations	3,503,779	3,633,521		129,742
General	9,211,709	8,840,683	371,026	
Railway operating expenses—excluding depreciation and retirements	$185,739,845	$192,382,572		$ 6,642,727
Depreciation and Retirements—				
Road Property	5,109,898	4,851,537	$ 258,361	
Equipment	13,101,789	12,640,960	460,829	
Total railway operating expenses	$203,951,532	$209,875,069		$ 5,923,537
Operating Ratio (For Operating Ratios by general accounts see Page 36)	81.21	79.78	1.43	
Net revenue from railway operations	$ 47,184,358	$ 53,197,814		$ 6,013,456
Railway tax accruals	$ 25,178,072	$ 27,339,438		$ 2,161,366
Railway operating income	$ 22,006,286	$ 25,858,376		$ 3,852,090
RENT INCOME				
Rent from equipment	$ 1,576,074	$ 1,653,638		$ 77,564
Joint facility rent income	867,468	828,502	$ 38,966	
Total rent income	$ 2,443,542	$ 2,482,140		$ 38,598
RENTS PAYABLE				
Rents for equipment	$ 4,375,408	$ 5,714,855		$ 1,339,447
Joint facility rents	3,441,922	3,183,635	$ 258,287	
Total rents payable	$ 7,817,330	$ 8,898,490		$ 1,081,160
Net rents	Dr.$ 5,373,788	Dr.$ 6,416,350	$ 1,042,562	
Net railway operating income	$ 16,632,498	$ 19,442,026		$ 2,809,528

	1960	1959	Increase	Decrease
OTHER INCOME				
Income from lease of road and equipment	$ 6,910	$ 6,787	$ 123	
Miscellaneous rent income	875,862	783,071	92,791	
Income from non-operating property	334,672	409,087		$ 74,415
Separately operated properties—profit	13,545	12,205	1,340	
Dividend income	753,370	723,198	30,172	
Interest income	1,238,197	1,290,237		52,040
Release of premiums on funded debt	20	21		1
Miscellaneous income	573,244	2,764,870		2,191,626
Total other income	$ 3,795,820	$ 5,989,476		$ 2,193,656
Total income	$20,428,318	$25,431,502		$ 5,003,184
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Miscellaneous rents	$ 33,210	$ 29,446	$ 3,764	
Miscellaneous tax accruals	181,523	153,492	28,031	
Miscellaneous income charges	108,072	203,564		$ 95,492
Total miscellaneous deductions	$ 322,805	$ 386,502		$ 63,697
Income available for fixed charges	$20,105,513	$25,045,000		$ 4,939,487
FIXED CHARGES				
Rent for leased road and equipment	$ 57,293	$ 56,623	$ 670	
Interest on funded debt	7,484,585	7,228,783	255,802	
Interest on unfunded debt	1,245	1,441		$ 196
Amortization of discount on funded debt	69,252	62,010	7,242	
Total fixed charges	$ 7,612,375	$ 7,348,857	$ 263,518	
Net income	$12,493,138	$17,696,143		$ 5,203,005

INVESTMENTS IN AFFILIATED COMPANIES

DECEMBER 31, 1960

Name of Company	Percent of Owner-ship	Investment	
		Stocks	Bonds, Notes and Advances
Wholly owned companies:			
Burlington Equipment Company	100	$ 5,000	$ 500,000
Burlington Refrigerator Express Company	100	100,000	....
Burlington Truck Lines, Inc.	100	750,000	405,267
St. Louis and Kansas City Land Company	100	100,000	1,792,922
Jointly owned companies:			
Atchison Union Depot and Railroad Company	37.50	27,000	7,972
Belt Railway Company of Chicago, The	7.69	240,000	214,494
*Chicago Union Station Company	25	....	4,786,146
Colorado and Southern Railway Co., The	74.72	22,172,276	994,176
Davenport, Rock Island and North Western Railway Company	50	1,748,182	1,319,603
Denver Market & Produce Terminal, Inc.	20	50,000	250,828
Denver Union Terminal Railway Company, The	16-⅔	5,000	787,286
Illinois Northern Railway	25	250,940	....
# Illinios Terminal Railroad Company	9-1/11	1,818	....
Iowa Transfer Railway Company	20	16,100	6,400
*Kansas City Terminal Railway Company	8-⅓	100,000	680,683
Keokuk Union Depot Company	40	8,024	3,996
Minnesota Transfer Railway Company	11-1/9	91,300	357,160
Missouri and Illinois Bridge and Belt Railroad Company	81.82	312,004	405,000
*Packers Car Line Company	19.18	6,140	145,383
Paducah & Illinois Railroad Company	33-⅓	3,333	1,811,231
Pullman Company	2.42	653,864	....
Railway Express Agency, Inc.	2.7	2,700	780,719
Saint Joseph Union Depot Company	40	13,325	7,944
*Saint Paul Union Depot Company, The	12.50	130,475	209,109
*Terminal Railroad Association of St. Louis	6.25	....	....
*Trailer Train Company	3-1/33	50,000	53,251
Winona Bridge Railway Company	66-⅔	300	....
		$26,837,781	$15,519,570

*These terminal, depot, and car line companies, which provide facilities for joint use by the owning lines, have outstanding bonds or equipment obligations in the amount of $202,772,382 secured by lien superior to the investments of the proprietary companies, each of which has contingent liability in the event of default in payment of interest, or sinking fund, or failure to meet maturities by payment or refunding. Details are to be found in the annual report of the Company, Form A, to the Interstate Commerce Commission.

#Illinois Terminal Railroad Company, purchased in 1956 by this and ten other companies, has a short-term bank loan in the amount of $8,500,000, guaranteed by the proprietors, as part of the plan of acquisition of the stock and sale of a part of the property, which loan was to be paid or refunded in 1960. The note has been extended to December 15, 1961.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING REVENUES

Year ended December 31	Average operated mileage	Freight Revenue	Passenger Revenue	Mail, express and miscellaneous revenue
1921	9,393.07	$122,716,630	$ 31,396,048	$ 14,599,590
1922	9,393.69	121,388,901	28,380,104	15,147,466
1923	9,401.41	126,433,098	28,569,831	16,267,732
1924	9,407.23	119,773,873	26,522,642	16,378,363
1925	9,398.62	118,670,808	25,116,398	15,367,972
1926	9,403.79	121,410,650	24,288,307	15,618,485
1927	9,390.00	118,497,414	22,058,572	15,764,468
1928	9,375.44	126,952,879	19,715,276	16,223,254
1929	9,373.21	126,777,844	18,817,973	16,814,108
1930	9,332.76	111,157,128	15,360,186	14,862,108
1931	9,312.69	88,237,564	11,205,062	11,776,334
1932	9,261.96	63,182,739	7,311,279	9,049,611
1933	9,237.41	63,319,234	6,722,104	8,455,637
1934	9,143.98	64,815,018	6,749,238	8,723,903
1935	9,035.66	66,817,189	6,978,101	9,129,919
1936	9,004.40	79,716,638	8,217,025	10,148,748
1937	8,975.40	79,966,473	9,717,844	10,466,895
1938	8,964.66	74,134,765	9,141,388	9,793,983
1939	8,973.06	76,853,603	9,167,835	10,110,356
1940	8,973.21	78,198,344	8,964,197	10,468,701
1941	9,036.00	94,874,259	10,697,250	11,949,846
1942	9,077.68	131,770,823	19,100,283	14,418,219
1943	9,029.56	166,123,159	32,923,900	18,905,424
1944	8,989.35	180,453,652	40,141,385	20,042,363
1945	8,965.22	183,286,915	38,193,572	21,062,311
1946	8,865.75	148,897,285	27,896,559	19,131,821
1947	8,864.97	181,409,104	19,029,068	20,740,839
1948	8,813.82	199,341,245	20,198,852	21,823,554
1949	8,766.61	179,802,953	17,818,681	20,374,874
1950	8,842.51	199,932,606	17,679,514	27,635,441
1951	8,824.01	220,253,697	19,192,719	27,147,252
1952	8,823.89	223,230,964	20,173,457	26,943,359
1953	8,866.77	230,610,550	20,349,507	27,453,755
1954	8,860.31	206,301,405	18,917,207	27,134,102
1955	8,823.89	203,700,425	19,249,645	26,276,202
1956	8,804.00	212,288,429	20,226,396	24,517,670
1957	8,776.89	212,715,213	20,922,686	24,670,316
1958	8,729.71	213,055,729	20,288,221	24,683,750
1959	8,683.45	215,330,208	20,746,554	26,996,121
1960	8,659.25	202,493,479	21,430,686	27,211,725

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

REVENUES, EXPENSES, AND TAXES

Year Ended Dec. 31	Total Operating Revenues	Total Operating Expenses	Taxes Income Account 532	Average Per Mile of Road Operated		
				Operating Revenues	Operating Expenses	Taxes
1921	$168,712,268	$128,216,290	$ 9,718,568	$17,961	$13,650	$1,035
1922	164,916,471	126,777,703	10,890,007	17,556	13,496	1,159
1923	171,270,661	134,290,379	9,268,055	18,218	14,284	986
1924	162,674,878	119,958,734	10,642,576	17,293	12,752	1,131
1925	159,155,178	116,671,868	10,975,481	16,934	12,414	1,168
1926	161,317,442	116,462,808	11,480,061	17,155	12,385	1,221
1927	156,320,454	111,917,503	11,676,578	16,648	11,919	1,244
1928	162,891,409	114,191,159	11,192,210	17,374	12,180	1,194
1929	162,409,925	111,565,542	12,025,394	17,327	11,903	1,283
1930	141,379,422	98,877,813	11,191,877	15,149	10,595	1,199
1931	111,218,960	77,465,969	9,955,502	11,943	8,318	1,069
1932	79,543,629	58,517,604	8,148,156	8,588	6,318	880
1933	78,496,975	54,361,599	6,918,697	8,498	5,885	749
1934	80,288,159	58,007,983	5,783,597	8,780	6,344	633
1935	82,925,209	62,544,384	5,983,920	9,178	6,922	662
1936	98,082,411	71,243,003	8,411,126	10,893	7,912	934
1937	100,151,212	74,278,004	7,731,466	11,158	8,276	861
1938	93,070,136	67,087,220	9,061,509	10,382	7,484	1,011
1939	96,131,794	70,885,896	8,616,802	10,713	7,900	960
1940	97,631,242	71,853,873	8,697,632	10,880	8,008	969
1941	117,521,355	83,047,925	11,900,410	13,006	9,191	1,317
1942	165,289,325	99,415,696	26,192,996	18,208	10,952	2,885
1943	217,952,483	123,559,336	55,573,644	24,138	13,684	6,155
1944	240,637,400	145,854,303	57,190,637	26,769	16,225	6,362
1945	242,542,798	174,150,921	30,248,889	27,054	19,425	3,374
1946	195,925,665	139,250,672	25,693,903	22,099	15,707	2,898
1947	221,179,011	149,996,344	34,407,950	24,950	16,920	3,881
1948	241,363,651	167,888,010	35,912,048	27,385	19,048	4,075
1949	217,996,508	167,265,649	26,192,248	24,867	19,080	2,988
1950	245,247,561	161,964,673	39,773,302	27,735	18,317	4,498
1951	266,593,668	189,234,239	41,233,781	30,212	21,445	4,673
1952	270,347,780	193,435,960	39,690,137	30,638	21,922	4,498
1953	278,413,812	203,124,368	39,557,462	31,400	22,909	4,461
1954	252,352,714	190,333,761	28,989,381	28,481	21,481	3,272
1955	249,226,272	190,704,931	28,850,235	28,244	21,612	3,270
1956	257,032,495	196,359,600	31,392,521	29,195	22,303	3,566
1957	258,308,215	205,579,093	26,291,733	29,430	23,423	2,996
1958	258,027,700	200,263,598	27,403,280	29,557	22,940	3,139
1959	263,072,883	209,875,069	27,339,438	30,296	24,170	3,148
1960	251,135,890	203,951,532	25,178,072	29,002	23,553	2,908

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

SUMMARY OF FINANCIAL RESULTS

Year ended December 31	Total revenues, including income from other sources	Expenses, taxes, rentals, and other charges	Interest on Funded Debt	Net Income	Earnings per Share of Stock
1921	$171,852,639	$139,435,531	$6,807,134	$25,609,974	$16.43
1922	168,386,706	140,005,948	8,119,271	20,261,487	11.86
1923	173,735,425	146,188,407	8,256,488	19,290,530	11.29
1924	164,788,967	134,247,699	8,641,439	21,899,829	12.82
1925	161,234,121	131,356,234	8,693,294	21,184,593	12.40
1926	164,314,046	131,699,096	8,626,981	23,987,969	14.04
1927	159,202,361	128,632,779	9,126,458	21,443,124	12.55
1928	165,929,135	130,473,328	9,177,555	26,278,252	15.38
1929	166,122,417	127,461,244	9,084,635	29,576,538	17.31
1930	144,904,521	113,840,027	9,084,635	21,979,859	12.87
1931	113,518,034	91,113,664	9,084,635	13,319,735	7.80
1932	80,906,548	70,319,097	9,084,635	1,502,816	.88
1933	80,058,804	65,376,145	9,084,635	5,598,024	3.28
1934	81,542,327	68,002,932	9,084,635	4,454,760	2.61
1935	84,006,102	73,078,623	9,084,635	1,842,844	1.08
1936	99,376,761	85,081,198	9,138,399	5,157,164	3.02
1937	101,506,074	87,279,925	9,318,895	4,907,254	2.87
1938	94,165,952	81,111,532	9,412,657	3,641,763	2.13
1939	97,266,759	84,228,649	9,376,771	3,661,339	2.14
1940	98,701,774	84,895,212	9,413,698	4,392,864	2.57
1941	118,744,477	98,760,692	9,564,643	10,419,142	6.10
1942	166,665,657	128,483,699	9,535,038	28,646,920	16.77
1943	219,490,878	182,551,064	8,708,550	28,231,264	16.53
1944	242,151,510	209,035,730	8,468,658	24,647,122	14.43
1945	244,142,926	209,309,218	7,428,309	27,405,399	16.04
1946	198,259,728	169,368,261	5,788,692	23,102,775	13.52
1947	223,062,115	189,666,103	5,654,141	27,741,871	16.24
1948	242,652,523	208,881,475	5,689,348	28,081,700	16.44
1949	219,734,305	198,626,445	5,688,368	15,419,492	9.03
1950	247,617,300	207,712,870	6,142,775	33,761,655	19.76
1951	268,204,066	237,039,202	5,915,576	25,249,288	14.78
1952	272,635,351	238,955,578	5,679,181	28,000,592	16.39
1953	280,892,910	249,044,595	6,186,809	25,661,506	15.02
1954	254,720,412	225,165,297	6,543,395	23,011,720	13.47
1955	251,768,664	223,086,211	6,524,607	22,157,846	12.97
1956	260,096,276	231,887,566	6,643,492	21,565,218	12.62
1957	261,679,935	237,695,505	6,801,818	17,182,612	10.06
1958	261,564,202	234,825,211	7,247,259	19,491,732	11.41
1959	269,062,359	244,137,433	7,228,783	17,696,143	10.36
1960	254,931,710	234,953,987	7,484,585	12,493,138	7.31

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

MAINTENANCE AND TRANSPORTATION EXPENSES

Year ended Dec. 31	Avge. oper. mileage	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Average per Mile of Road Operated		
					M. of W. & S.	M. of E.	Transp.
1921	9,393.07	$22,917,767	$34,290,506	$63,564,017	$2,440	$3,651	$6,767
1922	9,393.69	20,769,379	35,735,414	62,875,593	2,211	3,804	6,693
1923	9,401.41	21,984,557	40,654,336	63,395,808	2,338	4,324	6,743
1924	9,407.23	19,413,917	34,786,170	57,810,258	2,064	3,698	6,145
1925	9,398.62	19,737,011	33,669,420	55,021,563	2,100	3,582	5,854
1926	9,403.79	23,965,178	30,131,658	54,315,494	2,548	3,204	5,776
1927	9,390.00	23,668,878	26,486,675	53,503,272	2,521	2,821	5,698
1928	9,375.44	25,515,422	27,197,586	52,922,445	2,722	2,901	5,645
1929	9,373.21	24,414,605	26,080,966	52,083,144	2,605	2,783	5,557
1930	9,332.76	20,311,640	22,553,488	46,922,911	2,176	2,417	5,028
1931	9,312.69	13,721,164	17,785,942	38,030,549	1,473	1,910	4,084
1932	9,261.96	9,576,465	13,341,550	28,952,905	1,034	1,440	3,126
1933	9,237.41	8,561,684	12,140,500	27,374,245	927	1,314	2,963
1934	9,143.98	9,860,327	12,431,389	28,564,565	1,078	1,360	3,124
1935	9,035.66	10,824,581	14,950,520	30,844,332	1,198	1,655	3,414
1936	9,004.40	12,797,545	16,820,495	34,549,546	1,421	1,868	3,837
1937	8,975.40	14,033,990	17,275,279	36,183,417	1,564	1,925	4,031
1938	8,964.66	11,654,202	15,409,733	33,620,007	1,300	1,719	3,750
1939	8,973.06	12,844,765	17,381,993	34,256,996	1,431	1,937	3,818
1940	8,973.21	13,353,279	16,783,688	35,277,423	1,488	1,870	3,931
1941	9,036.00	16,959,394	19,816,531	39,526,885	1,877	2,193	4,374
1942	9,077.68	21,025,235	24,106,233	46,267,051	2,316	2,656	5,097
1943	9,029.56	29,835,736	28,195,666	55,805,743	3,304	3,123	6,180
1944	8,989.35	40,175,260	33,790,768	61,653,940	4,469	3,759	6,859
1945	8,965.22	47,843,082	51,952,634	63,650,499	5,337	5,795	7,100
1946	8,865.75	31,412,419	27,660,941	68,613,877	3,543	3,120	7,739
1947	8,864.97	32,484,480	29,682,429	75,766,163	3,664	3,348	8,547
1948	8,813.82	37,260,444	34,365,642	83,366,308	4,228	3,899	9,459
1949	8,766.61	36,261,258	38,419,338	78,842,227	4,136	4,382	8,993
1950	8,842.51	33,786,916	34,037,570	80,955,660	3,821	3,849	9,155
1951	8,824.01	41,782,837	39,300,552	93,513,741	4,735	4,454	10,597
1952	8,823.89	42,108,312	40,839,794	95,078,458	4,772	4,628	10,775
1953	8,866.77	49,071,802	40,018,049	97,998,903	5,534	4,513	11,052
1954	8,860.31	35,419,111	43,180,519	95,609,781	3,998	4,873	10,791
1955	8,823.89	37,759,174	39,149,896	97,279,128	4,279	4,437	11,025
1956	8,804.00	35,749,003	42,790,642	99,819,421	4,061	4,860	11,338
1957	8,776.89	39,830,000	44,775,473	102,194,491	4,538	5,102	11,644
1958	8,729.71	33,528,112	45,882,097	101,590,005	3,841	5,256	11,637
1959	8,683.45	36,161,543	48,757,340	104,916,115	4,164	5,615	12,082
1960	8,659.25	34,084,898	46,414,611	103,168,403	3,936	5,360	11,914

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING EXPENSE RATIOS

Year ended December 31	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Total Operating Expenses
1921	13.58	30.32	37.68	76.00
1922	12.59	21.67	38.13	76.87
1923	12.84	23.74	37.01	78.41
1924	11.93	21.38	35.54	73.74
1925	12.40	21.16	34.57	73.31
1926	14.85	18.68	33.67	72.19
1927	15.14	16.94	34.23	71.60
1928	15.66	16.70	32.48	70.10
1929	15.03	16.06	32.07	68.69
1930	14.37	15.95	33.19	69.94
1931	12.34	15.99	34.19	69.65
1932	12.04	16.77	36.40	73.57
1933	10.91	15.46	34.87	69.25
1934	12.28	15.48	35.58	72.25
1935	13.05	18.03	37.20	75.42
1936	13.05	17.15	35.22	72.64
1937	14.01	17.25	36.13	74.17
1938	12.52	16.56	36.12	72.08
1939	13.36	18.08	35.64	73.74
1940	13.68	17.19	36.13	73.60
1941	14.44	16.86	33.64	70.67
1942	12.72	14.59	27.99	60.15
1943	13.69	12.94	25.60	56.69
1944	16.70	14.04	25.62	60.61
1945	17.88	14.86	26.24	71.80
1946	16.03	14.10	35.02	71.07
1947	14.69	13.42	34.26	67.82
1948	15.44	14.24	34.54	69.56
1949	16.63	17.62	36.17	76.73
1950	13.78	13.88	33.01	66.04
1951	15.67	14.74	35.08	70.98
1952	15.57	15.11	35.17	71.55
1953	17.63	14.37	35.20	72.96
1954	14.03	17.11	37.89	75.42
1955	15.15	15.71	39.03	76.52
1956	13.91	16.64	38.84	76.39
1957	15.42	17.34	39.56	79.59
1958	12.99	17.78	39.37	77.61
1959	13.75	18.53	39.88	79.78
1960	13.57	18.48	41.08	81.21

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

FREIGHT AND PASSENGER TRAFFIC

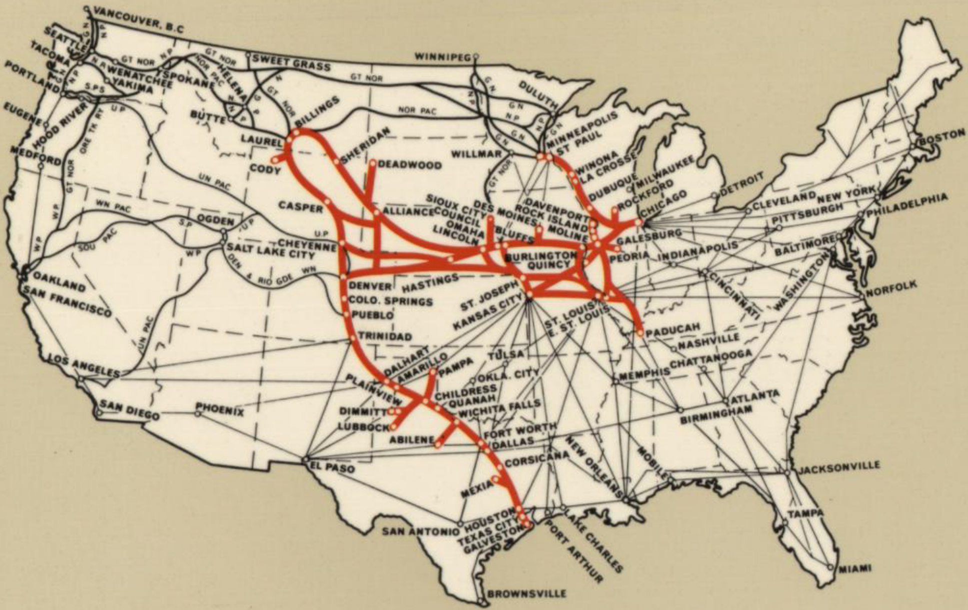
Year ended December 31	Carloads Revenue Freight (Excl. L.C.L.)	Revenue Ton Miles (000)	Revenue Per Ton Mile (Cents)	Revenue Passenger Miles (000)	Revenue Per Pass. Mile (Cents)
1921	1,138,140	10,554,788	1.163	999,701	3.141
1922	1,267,228	11,754,596	1.033	941,748	3.014
1923	1,422,035	12,690,384	.996	967,097	2.954
1924	1,392,061	12,287,748	.975	909,302	2.917
1925	1,394,884	12,298,288	.965	893,670	2.810
1926	1,427,076	12,651,222	.960	871,773	2.786
1927	1,380,681	11,918,019	.992	811,600	2.718
1928	1,477,074	12,931,723	.982	730,970	2.697
1929	1,468,784	12,873,521	.985	719,017	2.617
1930	1,285,504	11,356,359	.979	606,612	2.532
1931	1,015,772	8,888,694	.993	472,742	2.370
1932	761,188	6,297,639	1.003	347,834	2.102
1933	790,498	6,598,639	.960	387,065	1.737
1934	858,977	7,137,168	.908	425,949	1.585
1935	844,557	7,522,420	.888	424,789	1.643
1936	1,015,083	9,062,367	.880	499,516	1.645
1937	1,034,615	9,423,153	.849	587,409	1.654
1938	894,051	7,876,092	.941	530,835	1.722
1939	939,635	8,417,254	.913	544,510	1.684
1940	996,830	8,972,423	.872	539,670	1.661
1941	1,181,449	11,339,218	.837	640,033	1.671
1942	1,385,416	15,290,591	.862	1,080,880	1.767
1943	1,509,738	18,960,387	.876	1,822,197	1.807
1944	1,569,328	19,751,865	.914	2,220,707	1.808
1945	1,552,950	18,820,920	.974	2,116,701	1.804
1946	1,451,973	16,657,849	.894	1,529,489	1.824
1947	1,552,552	19,274,376	.941	955,746	1.991
1948	1,488,445	18,357,884	1.086	870,790	2.320
1949	1,314,873	15,250,054	1.179	757,891	2.351
1950	1,397,186	16,755,823	1.193	748,699	2.361
1951	1,491,768	18,625,332	1.183	826,128	2.323
1952	1,422,481	17,096,963	1.306	883,205	2.284
1953	1,452,471	16,825,004	1.371	902,036	2.256
1954	1,390,883	15,709,662	1.313	837,706	2.258
1955	1,437,596	16,096,078	1.266	861,327	2.235
1956	1,460,407	16,670,939	1.273	886,357	2.282
1957	1,359,116	15,600,062	1.364	889,103	2.353
1958	1,333,315	15,258,487	1.396	862,595	2.352
1959	1,363,563	15,693,022	1.372	872,351	2.378
1960	1,313,383	15,256,220	1.327	874,279	2.451

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

PER CENT OF TOTAL FREIGHT REVENUE BY MAJOR COMMODITY GROUPS

Year Ended December 31	Products of Agriculture %	Animals and Products %	Products of Mines %	Products of Forests %	Manufactures and Misc. %	Forwarder Traffic %	Less Carload Freight %
1921	23.32	11.84	23.44	4.57	22.44	.....	14.39
1922	20.38	12.11	20.64	5.29	27.65	.....	13.93
1923	17.08	12.57	23.33	5.86	28.37	.....	12.79
1924	20.12	13.40	22.05	5.29	26.28	.....	12.86
1925	16.75	12.64	23.73	5.52	28.02	.....	13.34
1926	16.88	12.70	23.32	5.55	28.81	.....	12.74
1927	19.18	11.86	19.96	5.65	30.60	.....	12.75
1928	20.34	11.36	20.81	5.17	30.91	.....	11.41
1929	19.10	10.75	22.54	4.93	31.11	.....	11.57
1930	20.90	11.10	21.97	3.93	30.59	.....	11.51
1931	21.89	13.43	19.62	3.20	30.48	.....	11.38
1932	18.23	15.68	20.89	2.84	31.44	.....	10.92
1933	21.14	14.82	18.08	3.99	32.48	.....	9.49
1934	18.07	16.86	18.18	4.33	33.72	.....	8.84
1935	16.39	11.23	19.99	5.45	38.20	.....	8.74
1936	17.01	10.85	20.55	5.21	38.33	.....	8.05
1937	17.25	9.03	20.76	5.50	39.57	.....	7.89
1938	22.13	9.89	17.59	5.10	36.78	.....	8.51
1939	18.56	10.00	19.09	5.54	36.82	1.91	8.08
1940	17.86	9.55	20.00	5.79	37.53	2.01	7.26
1941	17.34	7.68	18.90	6.50	40.66	1.77	7.15
1942	16.10	7.10	19.73	6.25	43.90	1.34	5.58
1943	20.16	6.60	18.18	4.12	44.97	1.32	4.65
1944	16.13	6.38	15.95	3.56	52.43	.88	4.67
1945	19.23	5.91	14.08	3.11	52.03	.70	4.94
1946	22.93	7.91	17.06	4.58	39.03	.73	7.76
1947	24.06	6.19	20.39	4.72	35.65	1.78	7.21
1948	20.56	6.38	22.09	5.22	37.48	1.66	6.60
1949	23.71	7.58	17.24	6.15	37.91	1.78	5.64
1950	20.98	6.60	18.44	6.36	40.79	2.35	4.48
1951	22.36	6.32	18.03	5.73	40.41	3.28	3.87
1952	20.97	7.13	17.00	5.79	41.17	4.07	3.87
1953	18.82	7.47	15.53	5.45	44.97	4.29	3.47
1954	20.65	8.18	15.32	6.04	41.86	4.50	3.45
1955	18.95	8.33	15.91	6.65	41.38	5.16	3.62
1956	18.90	8.72	16.70	5.85	41.16	5.26	3.41
1957	21.77	7.83	15.51	5.70	40.55	5.23	3.41
1958	25.55	7.38	14.58	6.33	38.10	4.93	3.13
1959	23.21	7.69	15.05	6.77	39.74	4.72	2.82
1960	22.10	7.90	15.04	6.64	41.19	4.53	2.60

EVERYWHERE WEST


VANCOUVER, B.C
SEATTLE
TACOMA
PORTLAND
EUGENE
MEDFORD
HOOD RIVER
WENATCHEE
YAKIMA
SPOKANE
HELENA
BUTTE
SWEET GRASS
GT NOR
NOR PAC
WINNIPEG
DULUTH
BILLINGS
LAUREL
CODY
SHERIDAN
DEADWOOD
MINNEAPOLIS
ST PAUL
WILLMAR
WINONA
LA CROSSE
DUBUQUE
MILWAUKEE
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CLEVELAND
NEW YORK
BOSTON
PITTSBURGH
PHILADELPHIA
BALTIMORE
WASHINGTON
NORFOLK
UN PAC
WN PAC
SOU PAC
CASPER
ALLIANCE
SIOUX CITY
COUNCIL BLUFFS
OMAHA
LINCOLN
DES MOINES
DAVENPORT
ROCK ISLAND
MOLINE
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BURLINGTON
QUINCY
OGDEN
SALT LAKE CITY
CHEYENNE
DEN & RIO GDE WN
DENVER
HASTINGS
COLO. SPRINGS
PUEBLO
TRINIDAD
ST. JOSEPH
KANSAS CITY
ST. LOUIS
E. ST. LOUIS
PADUCAH
NASHVILLE
CHATTANOOGA
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OAKLAND
SAN FRANCISCO
LOS ANGELES
SAN DIEGO
PHOENIX
DALHART
AMARILLO
PAMPA
TULSA
OKLA. CITY
CHILDRESS
QUANAH
WICHITA FALLS
PLAINVIEW
DIMMITT
LUBBOCK
ABILENE
FORT WORTH
DALLAS
CORSICANA
NEW ORLEANS
MOBILE
JACKSONVILLE
TAMPA
MIAMI
MEXIA
EL PASO
SAN ANTONIO
HOUSTON
TEXAS CITY
GALVESTON
PORT ARTHUR
LAKE CHARLES
BROWNSVILLE

WAY OF THE ZEPHYRS

1960

Burlington
Route